



## ***Town of Natick***

*2012 Fall Annual Town Meeting – Finance Committee Recommendation Book*

---

# **Committee and Department Reports**

---

Curbside Recycling Cost Benefit Analysis (Article 5)  
Organization Charts (Article 19)  
    Community Services Department  
    Facilities Management Department  
    Finance Department  
Community Choice Aggregation (Article 26)  
Town Meeting Caucus Process Committee (Article 32)

---



# *Town of Natick*

2012 Fall Town Meeting – Town Meeting Information Book

---

**This page left intentionally blank.**

**Department of Public Works**

**Cost Benefit Analysis**

# **Curbside Recycling**

September 13, 2012

## Overview

The Department of Public Works prepared this report to analyze the cost of a curbside recycling service. This study compares the cost of contract recycling service to in-house pickup. Currently the town is in the first year of a three (3) year contract with Waste Management.

The contractor picks up single stream recyclables curbside for all residential properties with less than 5 units. Commercial properties, condominium complexes and apartments are not serviced. The Housing Authority properties at Cedar Gardens are picked up weekly. All other curbside properties are picked up biweekly. School and municipal building cardboard recycling dumpsters are serviced on a regular basis as needed, typically weekly.

The current contract includes a revenue sharing component. The formula is based on the market value of recyclables and the tonnage. This is detailed on the revenue sharing estimates page.

The current contract allows the town to terminate the contract any time after the first year with ninety (90) days prior written notice. This provision requires the town to provide Waste Management notice by April 1, 2013 in the event we plan to assume in-house recycling services.

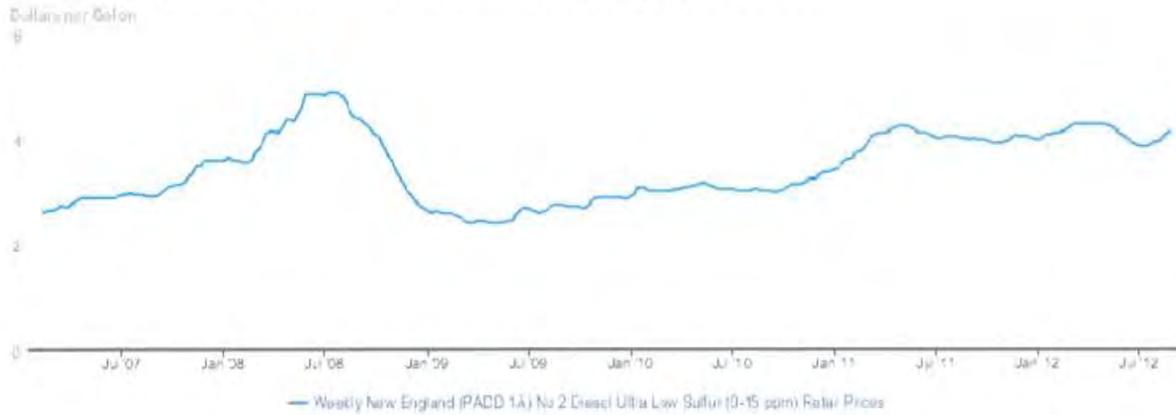
### **Cost of Contract Recycling Services**

We are required to obtain and use only contractors that pay a minimum prevailing wage under Massachusetts statutes. The Division of Occupational Safety issues the prevailing wage schedules. The FY2014 prevailing total hourly wage is \$25.12.

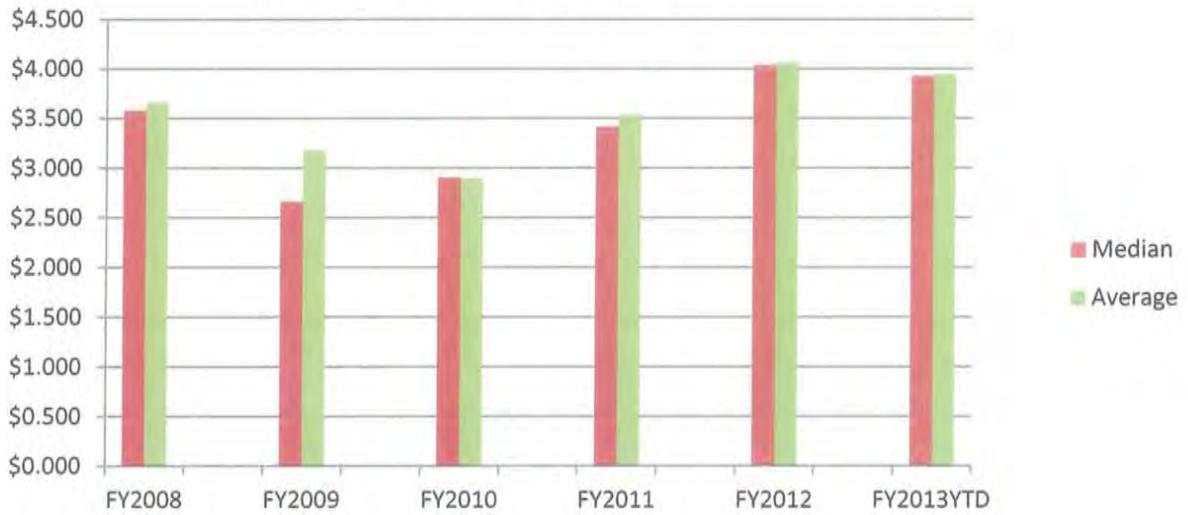
The current recycling contract includes a 3% escalation for years two (2) and three (3). It also includes a fuel cost adjustment. The adjustment is based on the U.S. Department of Energy PADD1 Diesel Fuel Cost for the New England area. The index is adjusted weekly to represent the retail cost of fuel. The current contract sets the base retail cost of ultra low sulfur diesel fuel at \$3.873. Any time the retail cost of fuel as determined by the U.S. Energy Information Administration, exceeds this price the town is subject to a fuel surcharge. In FY 2012 the town paid \$22,159.80 in fuel surcharges.

The following table illustrates the historical New England retail fuel prices as determined by the U.S. Energy Administration.

**Weekly New England (PADD 1A) No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices**



**Historical Deisel Fuel Costs - PADD 1A**



Source U.S. Energy Information Service

The current contract is divided into two service areas; curbside pickup and municipal cardboard dumpsters. The FY2013 cost for curbside pickup is \$509,000. The FY2013 cost for municipal and school dumpster service is \$8,885. Each of the services increases 3% per year for the three (3) year term.

The following table represents the current recycling contract costs.

	FY2013	FY2014	FY2015
Biweekly Curbside Pickup	\$509,000	\$524,270	\$539,998
Dumpster Service	\$8,885	\$9,151	\$9,426
Estimated Fuel Cost Adj 3.873	\$1,520	\$4,321	\$8,781
<b>Total</b>	<b>\$519,405</b>	<b>\$537,742</b>	<b>\$558,205</b>
Source: Recycling Contract FY2013 - FY2015			

The following Table represents the estimated five year cost of contract recycling services.

<b>Contract Recycling Five Year</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Biweekly Curbside Pickup</b>	\$524,270	\$539,998	\$556,198	\$572,884	\$590,070
<b>Dumpster Service</b>	\$9,151	\$9,426	\$9,709	\$10,000	\$10,300
<b>Fuel Cost Adjustment (3.873)</b>	\$4,321	\$8,781	\$4,970	\$10,549	\$16,547
<b>Total</b>	<b>\$537,742</b>	<b>\$558,205</b>	<b>\$570,877</b>	<b>\$593,433</b>	<b>\$614,005</b>

The first two years are extracted from the actual contract. The remaining years are estimates based on historical actuals and expected market conditions. We used a 3% escalation factor for contractual services. Contractual services have escalated at 3% for the previous eight (8) years. Fuel prices were calculated using an average 7.5% escalation factor. The fuel cost adjustment was then calculated using the base year fuel cost of \$3.873. The base year fuel cost is defined in the current contract. We assumed the base price would adjust to a new base at the end of the current contract extension as it did for the previous contract. The contract cost increases by 14.7% over five years.

### **In-House Recycling Service**

In-house recycling service will require hiring three (3) new full time employees in the Highway Sanitation and Recycling Division. It will also require a capital investment to purchase three (3) recycling collection packers and twelve (12) dumpsters and toters for our municipal buildings and the Housing Authority properties.

The Department of Publics works will provide weekly service to the recycling eligible residents. This includes all residential properties with less than 5 units, all municipal and school buildings, and the Housing Authority properties at Cedar Gardens.

### In-House Recycling Service Cost Analysis

The following tables detail the cost to provide in-house recycling service.

#### Labor

##### Curbside Recycling Labor Calculations

Labor	FY2014			FY2015			FY2016			FY2017			FY2018		
	Hours	Rate	Cost												
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
			\$116,525.65		5.00%	\$122,356.96		7.39%	\$131,404.58		6.34%	\$139,731.05		6.20%	\$148,389.46
Overtime	105	\$27.9037	\$2,929.88	105	\$29.3000	\$3,076.50	69	\$31.4666	\$2,171.20	81	\$33.4605	\$2,710.30	93	\$35.5339	\$3,304.65
Sub Total			\$119,455.53			\$125,433.47			\$133,575.78			\$142,441.35			\$151,694.11
		% of Total	Cost	%Chg	% of Total	Cost									
Labor		65.55%	\$119,455.53	5.00%	64.77%	\$125,433.47	6.49%	64.27%	\$133,575.78	6.64%	63.80%	\$142,441.35	6.50%	63.27%	\$151,694.11
Clothing/Safety		0.27%	\$500.00	0.00%	0.26%	\$500.00	10.00%	0.26%	\$550.00	0.00%	0.25%	\$550.00	0.00%	0.23%	\$550.00
Health Care		25.65%	\$46,742.40	10.00%	26.55%	\$51,416.64	10.00%	27.21%	\$56,558.30	10.00%	27.86%	\$62,214.13	10.00%	28.54%	\$68,435.55
FICA		0.69%	\$1,248.31	5.00%	0.68%	\$1,310.78	6.49%	0.67%	\$1,395.87	6.64%	0.67%	\$1,488.51	6.50%	0.66%	\$1,585.20
DOT Drug Testing		0.14%	\$255.00	2.50%	0.13%	\$261.38	2.50%	0.13%	\$267.91	2.50%	0.12%	\$274.61	2.50%	0.12%	\$281.47
LIUNA		2.48%	\$4,521.99	0.00%	2.34%	\$4,521.99	-0.57%	2.16%	\$4,496.43	0.19%	2.02%	\$4,504.95	0.19%	1.88%	\$4,513.47
Pension		5.21%	\$9,500.00	7.50%	5.27%	\$10,212.50	7.50%	5.28%	\$10,978.44	7.50%	5.29%	\$11,801.82	7.50%	5.29%	\$12,686.96
<b>Total</b>			<b>\$182,223.23</b>			<b>\$193,656.75</b>			<b>\$207,822.73</b>			<b>\$223,275.38</b>			<b>\$239,746.76</b>

Labor	FY2019			FY2020			FY2021			FY2022			FY2023			
	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost	
Skilled Laborer	2088	\$25.2373	\$52,695.52	2088	\$27.0361	\$56,451.34	2088	\$28.8710	\$60,282.64	2088	\$29.5928	\$61,789.70	2088	\$30.3326	\$63,334.45	
Skilled Laborer	2088	\$25.2373	\$52,695.52	2088	\$27.0361	\$56,451.34	2088	\$28.8710	\$60,282.64	2088	\$29.5928	\$61,789.70	2088	\$30.3326	\$63,334.45	
Skilled Laborer	2088	\$21.0469	\$43,946.03	2088	\$22.1002	\$46,145.22	2088	\$23.7344	\$49,557.41	2088	\$25.2383	\$52,697.62	2088	\$26.8022	\$55,963.02	
		0.64%	\$149,337.06		6.50%	\$159,047.90		6.96%	\$170,122.68		3.62%	\$176,277.03		3.61%	\$182,631.91	
Overtime	93	\$35.7608	\$3,325.75	105	\$38.0862	\$3,999.05	93	\$40.7382	\$3,788.65	69	\$42.2119	\$2,912.62	81	\$43.7337	\$3,542.43	
Sub Total			\$152,662.82			\$163,046.95			\$173,911.33			\$179,189.65			\$186,174.34	
		%Chg	% of Total	Cost												
Labor		0.64%	61.41%	\$152,662.82	6.80%	60.92%	\$163,046.95	6.66%	60.39%	\$173,911.33	3.04%	59.01%	\$179,189.65	3.90%	57.81%	\$186,174.34
Clothing/Safety		9.09%	0.24%	\$600.00	0.00%	0.22%	\$600.00	0.00%	0.21%	\$600.00	8.33%	0.21%	\$650.00	0.00%	0.20%	\$650.00
Health Care		10.00%	30.28%	\$75,279.10	10.00%	30.94%	\$82,807.01	10.00%	31.63%	\$91,087.71	10.00%	33.00%	\$100,196.49	10.00%	34.23%	\$110,216.13
FICA		0.64%	0.64%	\$1,595.33	6.80%	0.64%	\$1,703.84	6.66%	0.63%	\$1,817.37	3.04%	0.62%	\$1,872.53	3.90%	0.60%	\$1,945.52
DOT Drug Testing		2.50%	0.12%	\$288.51	2.50%	0.11%	\$295.72	2.50%	0.11%	\$303.11	2.50%	0.10%	\$310.69	2.50%	0.10%	\$318.46
LIUNA		0.00%	1.82%	\$4,513.47	0.19%	1.69%	\$4,521.99	-0.19%	1.57%	\$4,513.47	-0.38%	1.48%	\$4,496.43	0.19%	1.40%	\$4,504.95
Pension		7.50%	5.49%	\$13,638.48	7.50%	5.48%	\$14,661.36	7.50%	5.47%	\$15,760.97	7.50%	5.58%	\$16,943.04	7.50%	5.66%	\$18,213.77
<b>Total</b>			<b>\$248,577.70</b>			<b>\$267,636.88</b>			<b>\$287,993.97</b>			<b>\$303,658.83</b>			<b>\$322,023.17</b>	

The salary rates are factored based on current pay scales. The FY2012 rates were factored by 1% to arrive at an FY2013 base. The rates are then factored 2.5% per year for the remainder of the study. The current clothing allowance is \$350. We used \$500.00 for the first year and added \$50.00 at each contract renewal period. Healthcare is factored at 10% per year. The Federal Insurance Contributions Act (FICA) is a fixed 1.45%. The DOT Drug Testing costs are

based on testing each of the three (3) employees every year. In reality the tests are random and we only test 10% of the workforce annually. The test costs are factored at 2.50% per year. The LIUNA pension is the town's share of the union pension fund. The pension line is the town's share of the municipal pension. This is factored at 7.5% per year. We have attempted to be as conservative as possible in our estimates. Detailed calculation sheets for each area are included in the appendix.

### Recycling Truck Debt

To provide this service we must purchase three (3) recycling trucks. We contacted vendors and requested quotes to purchase the trucks to begin providing service on July 1, 2013. The following table illustrated the debt schedule and required annual payments.

<b>Debt Cost</b>	<b>900,000</b>					<b>Principal</b>	<b>\$900,000</b>			
<b>Interest</b>	<b>3.25%</b>					<b>Interest</b>	<b>\$87,750</b>			
<b>Term</b>	<b>5 Years</b>					<b>Total Debt</b>	<b>\$987,750</b>			
<b>FY2014</b>		<b>FY2015</b>		<b>FY2016</b>		<b>FY2017</b>		<b>FY2018</b>		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$180,000	\$29,250	\$180,000	\$23,400	\$180,000	\$17,550	\$180,000	\$11,700	\$180,000	\$5,850	
<b>\$209,250</b>		<b>\$203,400</b>		<b>\$197,550</b>		<b>\$191,700</b>		<b>\$185,850</b>		

A review of recent municipal bond authorizations throughout New England indicates a rate for Natick of less than 2.00%. Our two most recent authorizations were both around 1%. We are being extremely conservative and using 3.25%.

The useful life is estimated at seven (7) to ten (10) years. We could increase the annual cash flow by using a seven year term. This would decrease our annual payment but increase the overall debt cost by \$32,850. We choose a five (5) year term. The complete calculations are contained on appendix page Debt 1.

To provide recycling service at our buildings and the Housing Authority, we also need to purchase 12 recycling dumpsters and 100 ninety six (96) gallon toters. We contacted vendors and requested quotes. We could bond this also. Typically purchases of this nature are not borrowed. A debt schedule was prepared for discussion purposes and is included as appendix page Debt 5. Since we do not recommend borrowing for these items, the cost is added to the first years operating expenses.

**Operating Expenses**

Operating expenses include fuels, tolls, maintenance, vehicle insurance, and a dumpster/ toter purchase and replacement program. Tolls are calculated for a roundtrip to the co-mingle facility in Auburn and factored at 2% per year.

We reviewed the current trash fleet monthly fuel use and the estimated mpg for the recycling trucks. We also reviewed the mileage rates used by our current vendor Waste Management in their fuel cost adjustments, the historical fuel costs for the Town of Natick and historical fuel costs for the New England area produced by the U.S. Energy Administration. These are included in the appendix. The fuel costs are factored at 7.5%. Detailed fuel calculations are contained in appendix Fuel 1.

Vehicle maintenance costs are estimated using the service manual for the proposed trucks. We factored the current cost of the materials. We reviewed the current vehicle maintenance staffing and feel it is more than adequate to perform the maintenance. The costs were factored at varying rates from 3.5% to 10.00% per year to account for vehicle age. The detailed calculations are contained in appendix Maintenance 1.

Dumpster and toter costs use actual quotes for year one. We factored these at three (3%) percent per year for the replacement program. We estimate replacing 20 toters and one dumpster annually beginning in year four.

The insurance costs were obtained from the town’s insurance agent. These are factored at 7.5% annually. This number exceeds expectations; however we are attempting to be conservative in all areas.

The following table illustrates operating costs.

<b>Item</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
Fuel (1725 Gal ULSD/MO)	\$73,920.00	\$79,380.00	\$85,029.00	\$91,308.82	\$98,156.98
Tolls (Tri-axle \$5.00)	\$3,120.00	\$3,180.00	\$3,240.00	\$3,300.00	\$3,360.00
Vehicle Maintenance	\$7,560.60	\$7,825.22	\$8,216.48	\$8,832.72	\$9,715.99
Dumpster/Toter Replace.	\$31,529.00	\$0.00	\$0.00	\$1,748.36	\$1,800.81
Insurance	\$789.00	\$848.18	\$911.79	\$980.17	\$1,053.69
	<b>\$116,918.60</b>	<b>\$91,233.40</b>	<b>\$97,397.27</b>	<b>\$106,170.07</b>	<b>\$114,087.47</b>
Assumes dumping in Auburn					

Summary of Costs

The following table includes a summary of costs and a comparison of the contract costs to the town costs.

**In-House Curbside Cost Estimate**

	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
Labor	\$182,223.23	\$193,656.75	\$207,822.73	\$223,275.38	\$239,746.76
Operating	\$116,918.60	\$91,233.40	\$97,397.27	\$106,170.07	\$114,087.47
Debt	\$209,250.00	\$203,400.00	\$197,550.00	\$191,700.00	\$185,850.00
<b>Total Cost</b>	<b>\$508,391.83</b>	<b>\$488,290.15</b>	<b>\$502,770.00</b>	<b>\$521,145.45</b>	<b>\$539,684.23</b>

**Contract Curbside Cost Estimate**

	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
Curbside	\$524,270.00	\$539,998.00	\$556,197.94	\$572,883.88	\$590,070.39
Dumpster	\$9,151.00	\$9,426.00	\$9,708.78	\$10,000.04	\$10,300.04
Fuel Adjustment	\$4,321.20	\$8,781.27	\$4,970.07	\$10,549.33	\$16,547.03
<b>Contract Total</b>	<b>\$537,742.20</b>	<b>\$558,205.27</b>	<b>\$570,876.79</b>	<b>\$593,433.25</b>	<b>\$616,917.47</b>
<b>Savings</b>	<b>\$29,350.37</b>	<b>\$69,915.12</b>	<b>\$68,106.79</b>	<b>\$72,287.80</b>	<b>\$77,233.24</b>
<b>Savings Years One to Five</b>					<b>\$316,893.32</b>

Based on this analysis it is less expensive to provide recycling service in-house. The town is estimated to save \$316,893.32 during the first five years. We reviewed the next five year period. During this time the workforce will have stepped through the salary scale and the trucks will need to be replaced. We used the same parameters to produce the following results.

**In-House Curbside Cost Estimate**

	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Labor	\$248,577.70	\$267,636.88	\$287,993.97	\$303,658.83	\$322,023.17
Operating	\$125,162.92	\$134,427.51	\$143,810.02	\$153,624.03	\$164,156.63
Debt	\$0.00	\$0.00	\$89,152.50	\$176,966.40	\$263,410.10
<b>Total Cost</b>	<b>\$373,740.62</b>	<b>\$402,064.39</b>	<b>\$520,956.50</b>	<b>\$634,249.26</b>	<b>\$749,589.90</b>

**Contract Curbside Cost Estimate**

	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Curbside	\$607,772.51	\$626,005.68	\$644,785.85	\$664,129.43	\$684,053.31
Dumpster	\$10,609.05	\$10,927.32	\$11,255.14	\$11,592.79	\$11,940.57
Fuel					
Adjustment	\$22,994.56	\$29,925.65	\$19,436.57	\$27,446.31	\$36,056.79
<b>Contract Total</b>	<b>\$641,376.11</b>	<b>\$666,858.65</b>	<b>\$675,477.56</b>	<b>\$703,168.53</b>	<b>\$732,050.67</b>
<b>Savings</b>	<b>\$267,635.48</b>	<b>\$264,794.26</b>	<b>\$154,521.06</b>	<b>\$68,919.27</b>	<b>-\$17,539.23</b>
<b>Savings Years Six to Ten</b>					<b>\$738,330.85</b>

Years six and seven show large savings. This is due to the debt payoff for the initial capital investment required. Year eight through ten we began a truck replacement program. The following tables outline the debt schedules.

**FY2021 Single Recycling Truck Replacement**

<b>Debt Cost</b>	<b>\$356,610</b>	<b>Principal</b>	<b>\$356,610</b>						
<b>Interest</b>	<b>5.00%</b>	<b>Interest</b>	<b>\$53,492</b>						
<b>Term</b>	<b>5 Years</b>	<b>Total Debt</b>	<b>\$410,102</b>						
<b>FY2021</b>		<b>FY2022</b>		<b>FY2023</b>		<b>FY2024</b>		<b>FY2025</b>	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$71,322	\$17,831	\$71,322	\$14,264	\$71,322	\$10,698	\$71,322	\$7,132	\$71,322	\$3,566
<b>FY2021</b>	<b>\$89,153</b>	<b>FY2022</b>	<b>\$85,586</b>	<b>FY2023</b>	<b>\$82,020</b>	<b>FY2024</b>	<b>\$78,454</b>	<b>FY2025</b>	<b>\$74,888</b>

The vehicle cost was factored by 2.5% annually and the interest rate was increased to 5.00% for bond market uncertainty in the future. A seven year schedule was also prepared and is available for review in appendix page Debt 2.

**FY2022 Single Recycling Truck Replacement**

<b>Debt Cost</b> \$365,520				<b>Principal</b> \$365,520					
<b>Interest</b> 5.00%				<b>Interest</b> \$54,828					
<b>Term</b> 5 Years				<b>Total Debt</b> \$420,348					
<b>FY2022</b>		<b>FY2023</b>		<b>FY2024</b>		<b>FY2025</b>		<b>FY2026</b>	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$73,104	\$18,276	\$73,104	\$14,621	\$73,104	\$10,966	\$73,104	\$7,310	\$73,104	\$3,655
<b>FY2022</b>	<b>\$91,380</b>	<b>FY2023</b>	<b>\$87,725</b>	<b>FY2024</b>	<b>\$84,070</b>	<b>FY2025</b>	<b>\$80,414</b>	<b>FY2026</b>	<b>\$76,759</b>

A seven year schedule was also prepared and is available for review in appendix page Debt 3.

**FY2023 Single Recycling Truck Replacement**

<b>Debt Cost</b> \$374,660				<b>Principal</b> \$374,660					
<b>Interest</b> 5.00%				<b>Interest</b> \$56,199					
<b>Term</b> 5 Years				<b>Total Debt</b> \$430,859					
<b>FY2023</b>		<b>FY2024</b>		<b>FY2025</b>		<b>FY2026</b>		<b>FY2027</b>	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$74,932	\$18,733	\$74,932	\$14,986	\$74,932	\$11,240	\$74,932	\$7,493	\$74,932	\$3,747
<b>FY2020</b>	<b>\$93,665</b>	<b>FY2021</b>	<b>\$89,918</b>	<b>FY2022</b>	<b>\$86,172</b>	<b>FY2023</b>	<b>\$82,425</b>	<b>FY2024</b>	<b>\$78,679</b>

A seven year schedule was also prepared and is available for review in appendix page Debt 4.

The savings to the town in years six (6) through ten (10) is estimated at \$738,330.85. Because year ten did not produce a savings over contract service, we reviewed years eleven (11) through fifteen (15). The following table summarizes the results.

**In-House Curbside Cost Estimate**

<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>
\$331,780.84	\$351,900.83	\$374,269.30	\$397,269.79	\$422,058.02
\$175,450.27	\$187,561.31	\$200,550.35	\$214,482.46	\$229,427.60
\$252,442.20	\$241,474.30	\$159,184.40	\$78,678.60	\$0.00
<b>\$759,673.31</b>	<b>\$780,936.44</b>	<b>\$734,004.04</b>	<b>\$690,430.84</b>	<b>\$651,485.62</b>
<b>Contract Curbside Cost Estimate</b>				
<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>
\$704,574.91	\$725,712.16	\$747,483.52	\$769,908.03	\$793,005.27
\$12,298.79	\$12,667.76	\$13,047.79	\$13,439.22	\$13,842.40
\$45,313.05	\$55,263.52	\$16,040.29	\$27,539.31	\$39,900.76
\$762,186.75	\$793,643.44	\$776,571.60	\$810,886.56	\$846,748.43
<b>\$2,513.44</b>	<b>\$12,707.00</b>	<b>\$42,567.55</b>	<b>\$120,455.72</b>	<b>\$195,262.81</b>
<b>Savings Years Ten to Fifteen</b>				<b>\$373,506.51</b>

The savings for years ten through fifteen is estimated at \$373,506.51. In year ten there was a large debt payment which pushed the cost higher. That stabilized during the next five years. There are several supporting documents in the appendix that detail calculations and provide additional data.

We were conservative with our estimates. It is likely that the savings could be greater. Why is it less expensive to do the work in-house? We offer the following comparisons.

1. Fuel Costs – The town can purchase our fuel with certain tax savings not available to Contractors.
2. Profit – the contractor has stockholders or owners to report to. Their goal is profit. The town's only goal is to provide efficient and reliable service.
3. Revenue sharing – we believe we can produce higher revenue sharing returns.

### **Summary**

The cost savings alone justify moving from contract to in-house service. However, the benefits to the town go beyond the cost savings. We can provide weekly pickup. We hope this will encourage higher recycling rates, further reduce trash tipping fees, and increase recycling revenue. These additional benefits are only available via contract at a large cost increase. There is one additional benefit, service. We control the staff and the equipment. There is also the potential for additional service to those who do not currently receive recycling pickup.

The scenario laid out in this study assumes the lowest available contract price. We just negotiated a new contract. It also assumes high rates of increase for costs. It assumes borrowing interest rates much higher than we are likely to obtain. It assumes a 2.5% annual rate increase for employee salary rates and a 10.00% annual increase for healthcare costs. Given the facts outlined in this study we recommend moving to in-house recycling pickup.



# Town of Natick

## Curbside Recycling Summary

### In-House Curbside Cost Estimate

	FY2014	FY2015	FY2016	FY2017	FY2018
Labor	\$182,223.23	\$193,656.75	\$207,822.73	\$223,275.38	\$239,746.76
Operating	\$116,918.60	\$91,233.40	\$97,397.27	\$106,170.07	\$114,087.47
Debt	\$209,250.00	\$203,400.00	\$197,550.00	\$191,700.00	\$185,850.00
<b>Total Cost</b>	<b>\$508,391.83</b>	<b>\$488,290.15</b>	<b>\$502,770.00</b>	<b>\$521,145.45</b>	<b>\$539,684.23</b>

### Contract Curbside Cost Estimate

	FY2014	FY2015	FY2016	FY2017	FY2018
Curbside	\$524,270.00	\$539,998.00	\$556,197.94	\$572,883.88	\$590,070.39
Dumpster	\$9,151.00	\$9,426.00	\$9,708.78	\$10,000.04	\$10,300.04
Fuel Adjustment	\$4,321.20	\$8,781.27	\$4,970.07	\$10,549.33	\$16,547.03
Contract Total	\$537,742.20	\$558,205.27	\$570,876.79	\$593,433.25	\$616,917.47

Savings	\$29,350.37	\$69,915.12	\$68,106.79	\$72,287.80	\$77,233.24
<b>Savings Years One to Five</b>					<b>\$316,893.32</b>



# Town of Natick

## Curbside Recycling Summary

### In-House Curbside Cost Estimate

	FY2019	FY2020	FY2021	FY2022	FY2023
Labor	\$248,577.70	\$267,636.88	\$287,993.97	\$303,658.83	\$322,023.17
Operating	\$125,162.92	\$134,427.51	\$143,810.02	\$153,624.03	\$164,156.63
Debt	\$0.00	\$0.00	\$89,152.50	\$176,966.40	\$263,410.10
<b>Total Cost</b>	<b>\$373,740.62</b>	<b>\$402,064.39</b>	<b>\$520,956.50</b>	<b>\$634,249.26</b>	<b>\$749,589.90</b>
<b>Contract Curbside Cost Estimate</b>					
	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Curbside	\$607,772.51	\$626,005.68	\$644,785.85	\$664,129.43	\$684,053.31
Dumpster	\$10,609.05	\$10,927.32	\$11,255.14	\$11,592.79	\$11,940.57
Fuel Adjustment	\$22,994.56	\$29,925.65	\$19,436.57	\$27,446.31	\$36,056.79
Contract Total	\$641,376.11	\$666,858.65	\$675,477.56	\$703,168.53	\$732,050.67
<b>Savings</b>	<b>\$267,635.48</b>	<b>\$264,794.26</b>	<b>\$154,521.06</b>	<b>\$68,919.27</b>	<b>-\$17,539.23</b>
					<b>\$738,330.85</b>

**Savings Years Six to Ten**



# Town of Natick

## Curbside Recycling Summary

In-House Curbside Cost Estimate					
	FY2024	FY2025	FY2026	FY2027	FY2028
Labor	\$331,780.84	\$351,900.83	\$374,269.30	\$397,269.79	\$422,058.02
Operating	\$175,450.27	\$187,561.31	\$200,550.35	\$214,482.46	\$229,427.60
Debt	\$252,442.20	\$241,474.30	\$159,184.40	\$78,678.60	\$0.00
<b>Total Cost</b>	<b>\$759,673.31</b>	<b>\$780,936.44</b>	<b>\$734,004.04</b>	<b>\$690,430.84</b>	<b>\$651,485.62</b>
Contract Curbside Cost Estimate					
	FY2024	FY2025	FY2026	FY2027	FY2028
Curbside	\$704,574.91	\$725,712.16	\$747,483.52	\$769,908.03	\$793,005.27
Dumpster	\$12,298.79	\$12,667.76	\$13,047.79	\$13,439.22	\$13,842.40
Fuel Adjustment	\$45,313.05	\$55,263.52	\$16,040.29	\$27,539.31	\$39,900.76
Contract Total	\$762,186.75	\$793,643.44	\$776,571.60	\$810,886.56	\$846,748.43
<b>Savings</b>	<b>\$2,513.44</b>	<b>\$12,707.00</b>	<b>\$42,567.55</b>	<b>\$120,455.72</b>	<b>\$195,262.81</b>
<b>Savings Years Ten to Fifteen</b>					<b>\$373,506.51</b>



# Town of Natick

## Curbside Recycling Salary

Labor	FY2014			FY2015			FY2016			FY2017			FY2018		
	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost	Hours	Rate	Cost
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
Skilled Laborer	2088	\$18.6024	\$38,841.88	2088	\$19.5334	\$40,785.65	2088	\$20.9777	\$43,801.53	2088	\$22.3070	\$46,577.02	2088	\$23.6892	\$49,463.15
<b>Overtime</b>			<b>\$116,525.65</b>		5.00%	<b>\$122,356.96</b>		7.39%	<b>\$131,404.58</b>		6.34%	<b>\$139,731.05</b>		6.20%	<b>\$148,389.46</b>
<b>Sub Total</b>	105	\$27.9037	\$2,929.88	105	\$29.3000	\$3,076.50	69	\$31.4666	\$2,171.20	81	\$33.4605	\$2,710.30	93	\$35.5339	\$3,304.65
			<b>\$119,455.53</b>			<b>\$125,433.47</b>			<b>\$133,575.78</b>			<b>\$142,441.35</b>			<b>\$151,694.11</b>
		<b>% of Total</b>	<b>Cost</b>		<b>%Chg</b>	<b>% of Total</b>									
Labor		65.55%	\$119,455.53		5.00%	\$125,433.47		64.27%	\$133,575.78		6.64%	\$142,441.35		63.27%	\$151,694.11
Clothing/Safety		0.27%	\$500.00		0.00%	\$500.00		0.26%	\$550.00		0.00%	\$550.00		0.23%	\$550.00
Health Care		25.65%	\$46,742.40		10.00%	\$51,416.64		27.21%	\$56,558.30		10.00%	\$62,214.13		28.54%	\$68,435.55
FICA		0.69%	\$1,248.31		5.00%	\$1,310.78		0.67%	\$1,395.87		6.64%	\$1,488.51		0.66%	\$1,585.20
DOT Drug Testing		0.14%	\$255.00		2.50%	\$261.38		0.13%	\$267.91		2.50%	\$274.61		0.12%	\$281.47
GLUNA Pension		2.48%	\$4,521.99		0.00%	\$4,521.99		2.16%	\$4,496.43		0.19%	\$4,504.95		1.88%	\$4,513.47
Pension		5.21%	\$9,500.00		7.50%	\$10,212.50		5.28%	\$10,978.44		7.50%	\$11,801.82		5.29%	\$12,686.96
<b>Total</b>			<b>\$182,223.23</b>			<b>\$193,656.75</b>			<b>\$207,822.73</b>			<b>\$223,275.38</b>			<b>\$239,746.76</b>
<b>Percent of Total</b>															
Salary			66.65%			65.84%			65.34%			64.83%			64.28%
Benefits			25.65%			26.55%			27.21%			27.86%			28.54%
Pension			7.69%			7.61%			7.45%			7.30%			7.17%



# Town of Natick

## Curbside Recycling Salary

	FY2019				FY2020				FY2021				FY2022				FY2023			
	Hours	Rate	Cost	%Chg																
Labor	2088	\$25.2373	\$52,695.52	61.41%	2088	\$27.0361	\$56,451.34	6.66%	2088	\$28.8710	\$60,282.64	6.66%	2088	\$29.5928	\$61,789.70	3.90%	2088	\$30.3326	\$63,334.45	57.81%
Skilled Laborer	2088	\$25.2373	\$52,695.52	9.09%	2088	\$27.0361	\$56,451.34	0.00%	2088	\$28.8710	\$60,282.64	8.33%	2088	\$29.5928	\$61,789.70	0.00%	2088	\$30.3326	\$63,334.45	0.20%
Skilled Laborer	2088	\$21.0469	\$43,946.03	30.28%	2088	\$22.1002	\$46,145.22	10.00%	2088	\$23.7344	\$49,557.41	10.00%	2088	\$25.2383	\$52,697.62	10.00%	2088	\$26.8022	\$55,963.02	34.23%
Overtime	93	\$35.7608	\$3,325.75	0.64%	105	\$38.0862	\$3,999.05	6.66%	93	\$40.7382	\$3,788.65	6.66%	69	\$42.2119	\$2,912.62	3.90%	81	\$43.7337	\$3,542.43	0.60%
Sub Total			<b>\$152,662.82</b>				<b>\$163,046.95</b>				<b>\$173,911.33</b>				<b>\$179,189.65</b>				<b>\$186,174.34</b>	
Labor			\$152,662.82	6.80%			\$163,046.95	6.66%			\$173,911.33	6.66%			\$179,189.65	3.04%			\$186,174.34	3.90%
Clothing/Safety			\$600.00	0.24%			\$600.00	0.00%			\$600.00	0.00%			\$600.00	0.21%			\$650.00	0.20%
Health Care			\$75,279.10	30.28%			\$82,807.01	10.00%			\$91,087.71	10.00%			\$100,196.49	10.00%			\$110,216.13	10.00%
FICA			\$1,595.33	0.64%			\$1,703.84	6.80%			\$1,817.37	6.66%			\$1,872.53	3.04%			\$1,945.52	3.90%
DOT Drug Testing			\$288.51	0.12%			\$295.72	2.50%			\$303.11	2.50%			\$310.69	2.50%			\$318.46	0.10%
GLUNA Pension			\$4,513.47	1.82%			\$4,521.99	0.19%			\$4,513.47	-0.19%			\$4,496.43	-0.38%			\$4,504.95	1.40%
Pension			\$13,638.48	5.49%			\$14,661.36	7.50%			\$15,760.97	7.50%			\$16,943.04	5.58%			\$18,213.77	5.66%
<b>Total</b>			<b>\$248,577.70</b>				<b>\$267,636.88</b>				<b>\$287,993.97</b>				<b>\$303,658.83</b>				<b>\$322,023.17</b>	
<b>Percent of Total</b>																				
Salary			62.41%				61.89%				61.33%				59.94%				58.72%	
Benefits			30.28%			30.94%	31.63%				33.00%				33.00%				34.23%	
Pension			7.30%			7.17%	7.04%				7.06%				7.06%				7.05%	



# Town of Natick

## Curbside Recycling Salary

Labor	FY2024			FY2025			FY2026			FY2027			FY2028		
	Hours	Rate	Cost												
Skilled Laborer	2088	\$31.0909	\$64,917.81	2088	\$31.8682	\$66,540.75	2088	\$32.6649	\$68,204.27	2088	\$33.4815	\$69,909.38	2088	\$34.3185	\$71,657.11
Skilled Laborer	2088	\$31.0909	\$64,917.81	2088	\$31.8682	\$66,540.75	2088	\$32.6649	\$68,204.27	2088	\$33.4815	\$69,909.38	2088	\$34.3185	\$71,657.11
Skilled Laborer	2088	\$23.8127	\$49,720.89	2088	\$25.0044	\$52,209.09	2088	\$26.8533	\$56,069.66	2088	\$28.5548	\$59,622.52	2088	\$30.3242	\$63,317.02
Overtime		-3.55%	\$179,556.51		3.19%	\$185,290.59		3.88%	\$192,478.20		3.62%	\$199,441.27		3.61%	\$206,631.24
Sub Total	93	\$42.9972	\$3,998.74	105	\$44.3704	\$4,658.89	105	\$46.0915	\$4,839.61	93	\$47.7589	\$4,441.58	81	\$49.4807	\$4,007.93
			\$183,555.25			\$189,949.48			\$197,317.81			\$203,882.85			\$210,639.17
Labor	%Chg	% of Total	Cost												
	-1.41%	73.84%	\$183,555.25	3.48%	70.97%	\$189,949.48	3.88%	68.51%	\$197,317.81	3.33%	67.14%	\$203,882.85	3.31%	65.41%	\$210,639.17
Clothing/Safety	0.00%	0.26%	\$650.00	7.69%	0.26%	\$700.00	0.00%	0.24%	\$700.00	0.00%	0.23%	\$700.00	0.00%	0.22%	\$700.00
Health Care	10.00%	48.77%	\$121,237.75	10.00%	49.83%	\$133,361.52	10.00%	50.94%	\$146,697.67	10.00%	53.14%	\$161,367.44	10.00%	55.12%	\$177,504.19
FICA	-1.41%	0.77%	\$1,918.15	3.48%	0.74%	\$1,984.97	3.88%	0.72%	\$2,061.97	3.33%	0.70%	\$2,130.58	3.31%	0.68%	\$2,201.18
POT Drug Testing	2.50%	0.13%	\$326.42	2.50%	0.13%	\$334.58	2.50%	0.12%	\$342.95	2.50%	0.12%	\$351.52	2.50%	0.11%	\$360.31
GLUNA Pension	0.19%	1.82%	\$4,513.47	0.19%	1.69%	\$4,521.99	0.00%	1.57%	\$4,521.99	-0.19%	1.49%	\$4,513.47	-0.19%	1.40%	\$4,504.95
Pension	7.50%	7.88%	\$19,579.80	7.50%	7.86%	\$21,048.28	7.50%	7.86%	\$22,626.91	7.50%	8.01%	\$24,323.92	7.50%	8.12%	\$26,148.22
Sub Total			\$331,780.84			\$351,900.83			\$374,269.30			\$397,269.79			\$422,058.02
Percent of Total															
Salary			56.20%			54.84%			53.55%			52.12%			50.68%
Benefits			36.54%			37.90%			39.20%			40.62%			42.06%
Pension			7.26%			7.27%			7.25%			7.26%			7.26%



# Town of Natick

## Curbside Recycling Salary Calculations

		1.00% increase over previous year										
DESCRIPTION	PAYTYPE	Start	STEP1	STEP2	STEP3	STEP4	STEP5	STEP6	STEP7			
FY2013	Sanitation Driver	Hourly	18.1487	18.5921	19.4799	20.2090	20.9378	21.7621	22.7445	23.6958		
FY2014	Sanitation Driver	Hourly	18.6024	19.0569	19.9669	20.7143	21.4613	22.3061	23.3131	24.2882		
FY2015	Sanitation Driver	Hourly	19.0675	19.5334	20.4661	21.2321	21.9978	22.8638	23.8960	24.8954		
FY2016	Sanitation Driver	Hourly	19.5442	20.0217	20.9777	21.7629	22.5478	23.4354	24.4934	25.5178		
FY2017	Sanitation Driver	Hourly	20.0328	20.5222	21.5022	22.3070	23.1115	24.0212	25.1057	26.1557		
FY2018	Sanitation Driver	Hourly	20.5336	21.0353	22.0397	22.8647	23.6892	24.6218	25.7333	26.8096		
FY2019	Sanitation Driver	Hourly	21.0469	21.5612	22.5907	23.4363	24.2815	25.2373	26.3767	27.4798		
FY2020	Sanitation Driver	Hourly	21.5731	22.1002	23.1555	24.0222	24.8885	25.8683	27.0361	28.1668		
FY2021	Sanitation Driver	Hourly	22.1124	22.6527	23.7344	24.6228	25.5107	26.5150	27.7120	28.8710		
FY2022	Sanitation Driver	Hourly	22.6653	23.2190	24.3278	25.2383	26.1485	27.1778	28.4048	29.5928		
FY2023	Sanitation Driver	Hourly	23.2319	23.7995	24.9359	25.8693	26.8022	27.8573	29.1149	30.3326		



# Curbside Recycling Overtime Estimates

	FY2014		FY2015		FY2016		FY2017		FY2018	
Holiday	Date	Hours	Date	Hours	Date	Hours	Date	Hours	Date	Hours
Independence Day	Fri 7/4/2014	15	Sat 7/4/2015	15	Mon 7/4/2016	3	Tue 7/4/2017	15	Wed 7/4/2018	15
Labor Day	Mon 9/1/2014	3	Mon 9/7/2015	3	Mon 9/5/2016	3	Mon 9/4/2017	3	Mon 9/3/2018	3
Columbus Day	Mon 10/13/2014	3	Mon 10/12/2015	3	Mon 10/10/2016	3	Mon 10/9/2017	3	Mon 10/8/2018	3
Veteran's Day	Tue 11/11/2014	15	Wed 11/11/2015	15	Fri 11/11/2016	15	Sat 11/11/2017	15	Sun 11/11/2018	3
Thanksgiving Day	Thu 11/27/2014	15	Thu 11/26/2015	15	Thu 11/24/2016	15	Thu 11/23/2017	15	Thu 11/22/2018	15
Christmas Day	Thu 12/25/2014	15	Fri 12/25/2015	15	Sun 12/25/2016	3	Mon 12/25/2017	3	Tue 12/25/2018	15
New Year's Day	Thu 1/1/2015	15	Fri 1/1/2016	15	Sun 1/1/2017	3	Mon 1/1/2018	3	Tue 1/1/2019	15
Martin Luther King Day	Mon 1/19/2015	3	Mon 1/18/2016	3	Mon 1/16/2017	3	Mon 1/15/2018	3	Mon 1/21/2019	3
President's day	Mon 2/16/2015	3	Mon 2/15/2016	3	Mon 2/20/2017	3	Mon 2/19/2018	3	Mon 2/18/2019	3
Memorial Day	Mon 5/25/2015	3	Mon 5/30/2016	3	Mon 5/29/2017	3	Mon 5/28/2018	3	Mon 5/27/2019	3
Other Events *		90		90		54		66		78
		15		15		15		15		15
		<b>105</b>		<b>105</b>		<b>69</b>		<b>81</b>		<b>93</b>

\*Other events include heavy snow and unforeseen circumstances that require overtime.



# Curbside Recycling Overtime Estimates

	FY2019		FY2020		FY2021		FY2022		FY2023	
	Date	Hours	Date	Hours	Date	Hours	Date	Hours	Date	Hours
Holiday	Thu 7/4/2019	15	Sat 7/4/2020	15	Sun 7/4/2021	3	Mon 7/4/2022	3	Tue 7/4/2023	15
Independence Day	Mon 9/2/2019	3	Mon 9/7/2020	3	Mon 9/6/2021	3	Mon 9/5/2022	3	Mon 9/4/2023	3
Labor Day	Mon 10/14/2019	3	Mon 10/12/2020	3	Mon 10/11/2021	3	Mon 10/10/2022	3	Mon 10/9/2023	3
Columbus Day	Mon 11/11/2019	3	Wed 11/11/2020	15	Thu 11/11/2021	15	Fri 11/11/2022	15	Sat 11/11/2023	15
Veteran's Day	Thu 11/28/2019	15	Thu 11/26/2020	15	Thu 11/24/2021	15	Thu 11/24/2022	15	Thu 11/23/2023	15
Thanksgiving Day	Wed 12/25/2019	15	Fri 12/25/2020	15	Sat 12/25/2021	15	Sun 12/25/2022	3	Mon 12/25/2023	3
Christmas Day	Wed 1/1/2020	15	Fri 1/1/2021	15	Sat 1/1/2022	15	Sun 1/1/2023	3	Mon 1/1/2024	3
New Year's Day	Mon 1/20/2020	3	Mon 1/18/2021	3	Mon 1/17/2022	3	Mon 1/16/2023	3	Mon 1/15/2024	3
Martin Luther King Day	Mon 2/17/2020	3	Mon 2/15/2021	3	Mon 2/21/2022	3	Mon 2/20/2023	3	Mon 2/19/2024	3
President's day	Mon 5/25/2020	3	Mon 5/31/2021	3	Mon 5/30/2022	3	Mon 5/29/2023	3	Mon 5/27/2024	3
Memorial Day		78		90		78		54		66
Other Events *		15		15		15		15		15
		<b>93</b>		<b>105</b>		<b>93</b>		<b>69</b>		<b>81</b>

\*Other events include heavy snow and unforeseen circumstances that require overtime.



# Curbside Recycling Overtime Estimates

	FY2024		FY2025		FY2026		FY2027		FY2028	
	Date	Hours	Date	Hours	Date	Hours	Date	Hours	Date	Hours
Holiday	Thu 7/4/2024	15	Fri 7/4/2025	15	Sat 7/4/2026	15	Sun 7/4/2027	15	Tue 7/4/2028	15
Independence Day	Mon 9/2/2024	3	Mon 9/1/2025	3	Mon 9/7/2026	3	Mon 9/6/2027	3	Mon 9/4/2028	3
Labor Day	Mon 10/14/2024	3	Mon 10/13/2025	3	Mon 10/12/2026	3	Mon 10/11/2027	3	Mon 10/9/2028	3
Columbus Day	Mon 11/11/2024	3	Tue 11/11/2025	15	Wed 11/11/2026	15	Thu 11/11/2027	15	Sat 11/11/2028	15
Veteran's Day	Thu 11/28/2024	15	Thu 11/26/2025	15	Thu 11/26/2026	15	Thu 11/25/2027	15	Thu 11/23/2028	15
Thanksgiving Day	Wed 12/25/2024	15	Thu 12/25/2025	15	Fri 12/25/2026	15	Sat 12/25/2027	15	Mon 12/25/2028	3
Christmas Day	Wed 1/1/2025	15	Thu 1/1/2026	15	Fri 1/1/2027	15	Sat 1/1/2028	15	Mon 1/1/2029	3
New Year's Day	Mon 1/20/2025	3	Mon 1/19/2026	3	Mon 1/18/2027	3	Mon 1/17/2028	3	Mon 1/15/2029	3
Martin Luther King Day	Mon 2/17/2025	3	Mon 2/16/2026	3	Mon 2/15/2027	3	Mon 2/21/2028	3	Mon 2/19/2029	3
President's day	Mon 5/26/2025	3	Mon 5/25/2026	3	Mon 5/31/2027	3	Mon 5/29/2028	3	Mon 5/28/2029	3
Memorial Day		78		90		90		78		66
Other Events *		15		15		15		15		15
		<b>93</b>		<b>105</b>		<b>105</b>		<b>93</b>		<b>81</b>

\*Other events include heavy snow and unforeseen circumstances that require overtime.



## Curbside Recycling Recycling Packer Debt Estimates

Debt Cost	900,000					Principal	\$900,000		
Interest	3.25%					Interest	\$87,750		
Term	5 Years					Total Debt	\$987,750		
								FY2017	FY2018
		FY2014	FY2015	FY2016	FY2017	FY2018	FY2018	Principal	Interest
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
		\$180,000	\$23,400	\$180,000	\$17,550	\$180,000	\$11,700	\$180,000	\$5,850
		\$209,250	\$203,400	\$197,550		\$191,700		\$185,850	

Debt Cost	900,000					Principal	\$900,000		
Interest	3.35%					Interest	\$120,600		
Term	7 Years					Total Debt	\$1,020,600		
								FY2017	FY2018
		FY2014	FY2015	FY2016	FY2017	FY2018	FY2018	Principal	Interest
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
		\$128,571	\$30,150	\$128,571	\$21,536	\$128,571	\$17,229	\$128,571	\$12,921
		\$158,721	\$154,414	\$150,107		\$145,800		\$141,493	
						FY2018			
		Principal	Interest			Principal	Interest		
		\$128,571	\$8,614	\$128,571	\$4,307	\$132,879			
		\$137,186				\$132,879			

The inclusion of a seven debt schedule is for the propose of a cash flow discussion only. Although a seven year term will increase annual available cash, it will cost the town and additional \$32,850.



# Curbside Recycling

## FY2021 Recycling Truck Replacement

Debt Cost	\$356,610	Principal		\$356,610	Principal		\$356,610
Interest	5.00%	Interest		\$53,492	Interest		\$53,492
Term	5 Years	Total Debt		\$410,102	Total Debt		\$410,102
		FY2021		FY2022		FY2023	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$71,322	\$17,831	\$71,322	\$14,264	\$71,322	\$10,698	\$71,322	\$7,132
FY2021	\$89,153	FY2022	\$85,586	FY2023	\$82,020	FY2024	\$78,454
						FY2025	\$74,888

Debt Cost	\$356,610	Principal		\$356,610	Principal		\$356,610
Interest	5.25%	Interest		\$74,888	Interest		\$74,888
Term	7 Years	Total Debt		\$431,498	Total Debt		\$431,498
		FY2021		FY2022		FY2023	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$50,944	\$18,722	\$50,944	\$16,047	\$50,944	\$13,373	\$50,944	\$10,698
	\$69,666		\$66,992		\$64,317		\$61,643
		FY2026		FY2027		FY2028	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$50,944	\$5,349	\$50,944	\$2,675	\$50,944	\$2,675	\$50,944	\$8,024
	\$56,293		\$53,619		\$53,619		\$58,968

The inclusion of a seven debt schedule is for the propose of a cash flow discussion only. Although a seven year term will increase annual available cash, it will cost the town and additional \$32,850.



# Curbside Recycling

## FY2022 Recycling Truck Replacement

Debt Cost	\$365,520	Principal		\$365,520	FY2026	
Interest	5.00%	Interest		\$54,828	FY2026	
Term	5 Years	Total Debt		\$420,348	FY2026	
		FY2023		FY2025		FY2026
Principal	Interest	Principal	Interest	Principal	Interest	Interest
\$73,104	\$18,276	\$73,104	\$14,621	\$73,104	\$7,310	\$3,655
<b>FY2022</b>	<b>\$91,380</b>	<b>FY2023</b>	<b>\$87,725</b>	<b>FY2024</b>	<b>\$84,070</b>	<b>FY2025</b>
						<b>\$76,759</b>

Debt Cost	\$365,520	Principal		\$365,520	FY2026	
Interest	5.25%	Interest		\$76,759	FY2026	
Term	7 Years	Total Debt		\$442,279	FY2026	
		FY2023		FY2025		FY2026
Principal	Interest	Principal	Interest	Principal	Interest	Interest
\$52,217	\$19,190	\$52,217	\$16,448	\$52,217	\$10,966	\$8,224
<b>FY2022</b>	<b>\$71,407</b>	<b>FY2023</b>	<b>\$68,666</b>	<b>FY2024</b>	<b>\$65,924</b>	<b>FY2025</b>
						<b>\$60,441</b>

The inclusion of a seven debt schedule is for the propose of a cash flow discussion only. Although a seven year term will increase annual available cash, it will cost the town and additional \$21,931.



## Curbside Recycling

### FY2023 Recycling Truck Replacement

Debt Cost	\$374,660	Principal		\$374,660	
Interest	5.00%	Interest		\$56,199	
Term	5 Years	Total Debt		\$430,859	
		FY2023		FY2026	
Principal	Interest	Principal	Interest	Principal	Interest
\$74,932	\$18,733	\$74,932	\$14,986	\$74,932	\$7,493
FY2020	\$93,665	FY2021	\$89,918	FY2022	\$86,172
				FY2023	\$82,425
				FY2024	\$74,932
				FY2025	\$74,932
				FY2026	\$74,932
				FY2027	\$74,932
				Interest	\$3,747
				Total Debt	\$78,679

Debt Cost	\$374,660	Principal		\$374,660	
Interest	5.25%	Interest		\$78,679	
Term	7 Years	Total Debt		\$453,339	
		FY2023		FY2026	
Principal	Interest	Principal	Interest	Principal	Interest
\$53,523	\$19,670	\$53,523	\$16,860	\$53,523	\$11,240
FY2023	\$73,193	FY2024	\$70,383	FY2025	\$67,573
				FY2026	\$64,763
				FY2027	\$61,953
				Principal	\$53,523
				Interest	\$8,430
				Total Debt	\$61,953
		FY2028		FY2029	
Principal	Interest	Principal	Interest	Principal	Interest
\$53,523	\$5,620	\$53,523	\$2,810	\$53,523	\$2,810
	\$59,143		\$56,333		\$56,333

The inclusion of a seven debt schedule is for the propose of a cash flow discussion only. Although a seven year term will increase annual available cash, it will cost the town and additional \$22,480.



**Curbside Recycling**  
**Recycling Dumpster Debt Estimates**  
**Cash Flow Option Only**

<b>Debt Cost</b>	<b>\$31,529</b>			<b>Principal</b>	<b>\$31,529</b>		
<b>Interest</b>	<b>3.25%</b>			<b>Interest</b>	<b>\$3,074</b>		
<b>Term</b>	<b>5 Years</b>			<b>Total Debt</b>	<b>\$34,603</b>		
		<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	
		Principal	Interest	Principal	Interest	Principal	Interest
		\$6,306	\$1,025	\$6,306	\$820	\$6,306	\$615
		<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2018</b>
		<b>\$7,330</b>	<b>\$7,126</b>	<b>\$6,921</b>	<b>\$6,716</b>	<b>\$6,306</b>	<b>\$205</b>
				<b>\$6,921</b>	<b>\$6,716</b>	<b>\$6,511</b>	

The inclusion of this debt schedule is for a cash flow discussion only. Typically these items would be purchased from the town's capital stabilization fund. The purchase of these items is included as an operating expense in year one and as a recurring replacement program beginning in year four.



## Curbside Recycling Operating Cost Estimates

Item	FY2014	FY2015	FY2016	FY2017	FY2018
Fuel (1725 Gal ULSD/MO)	\$73,920.00	\$79,380.00	\$85,029.00	\$91,308.82	\$98,156.98
Tolls (Tri-axle \$5.00)	\$3,120.00	\$3,180.00	\$3,240.00	\$3,300.00	\$3,360.00
Vehicle Maintenance	\$7,560.60	\$7,825.22	\$8,216.48	\$8,832.72	\$9,715.99
Dumpster/Toter Replace.	\$31,529.00	\$0.00	\$0.00	\$1,748.36	\$1,800.81
Insurance	\$789.00	\$848.18	\$911.79	\$980.17	\$1,053.69
	<b>\$116,918.60</b>	<b>\$91,233.40</b>	<b>\$97,397.27</b>	<b>\$106,170.07</b>	<b>\$114,087.47</b>
Assumes daily dumping in Auburn					



## Curbside Recycling Operating Cost Estimates

Item	FY2019	FY2020	FY2021	FY2022	FY2023
Fuel (1725 Gal ULSD/MO)	\$105,518.76	\$113,432.66	\$121,940.11	\$131,085.62	\$140,917.04
Tolls (Tri-axle \$5.00)	\$3,425.00	\$3,490.00	\$3,550.00	\$3,610.00	\$3,680.00
Vehicle Maintenance	\$10,687.59	\$11,756.35	\$12,344.17	\$12,714.49	\$13,095.92
Dumpster/Toter Replace.	\$4,398.87	\$4,530.83	\$4,666.76	\$4,806.76	\$4,950.96
Insurance	\$1,132.71	\$1,217.66	\$1,308.99	\$1,407.16	\$1,512.70
	<b>\$125,162.92</b>	<b>\$134,427.51</b>	<b>\$143,810.02</b>	<b>\$153,624.03</b>	<b>\$164,156.63</b>

Assumes daily dumping in Auburn



# Curbside Recycling Operating Cost Estimates

Item	FY2024	FY2025	FY2026	FY2027	FY2028
Fuel (1725 Gal ULSD/MO)	\$151,485.82	\$162,847.26	\$175,060.80	\$188,190.36	\$202,304.64
Tolls (Tri-axle \$5.00)	\$3,750.00	\$3,820.00	\$3,890.00	\$3,960.00	\$4,030.00
Vehicle Maintenance	\$13,488.80	\$13,893.47	\$14,310.27	\$14,739.58	\$15,181.77
Dumpster/Toter Replace.	\$5,099.49	\$5,252.48	\$5,410.05	\$5,572.35	\$5,739.52
Insurance	\$1,626.15	\$1,748.12	\$1,879.22	\$2,020.17	\$2,171.68
	<b>\$175,450.27</b>	<b>\$187,561.31</b>	<b>\$200,550.35</b>	<b>\$214,482.46</b>	<b>\$229,427.60</b>

Assumes daily dumping in Auburn



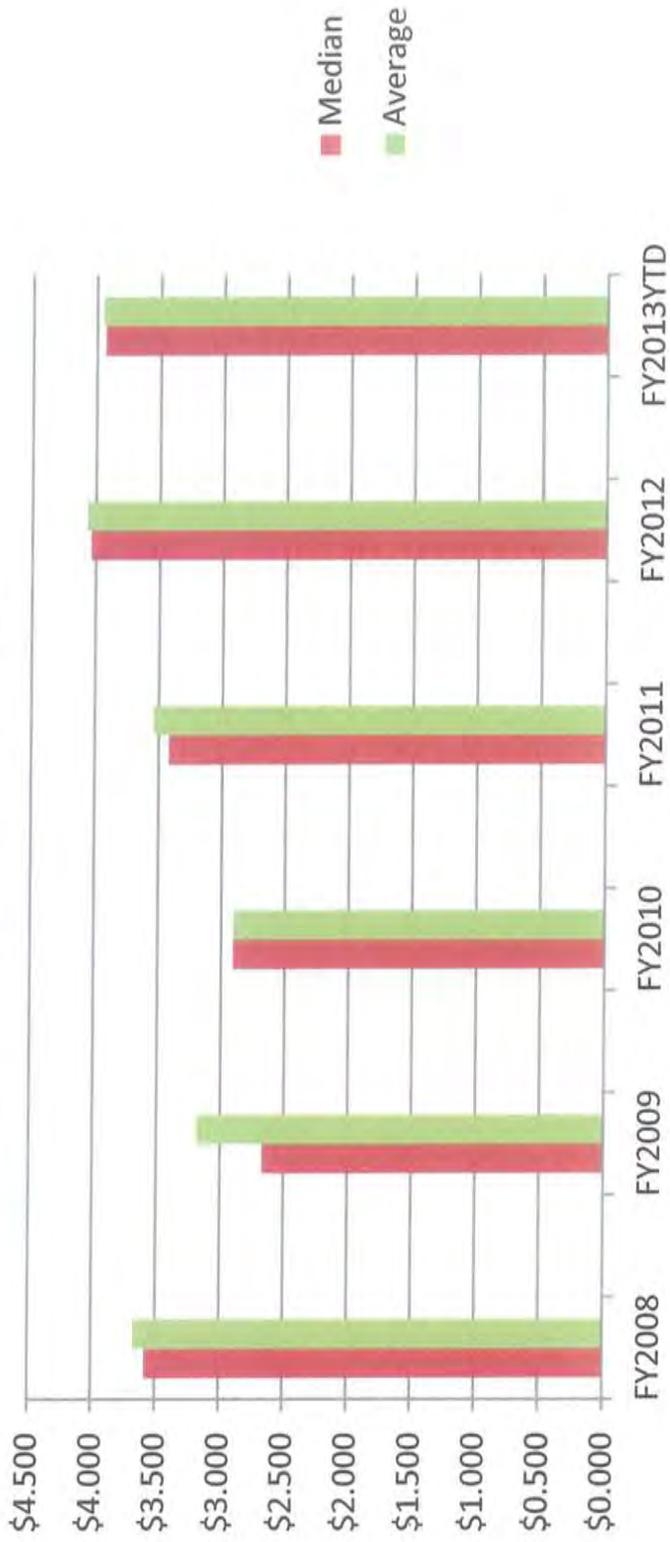
Town of Natick  
Historical Ultra Low Sulfur Deisel Fuel Costs

## Diesel \$/Gallon



FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	YTD
------	------	------	------	------	------	------	------	------	-----

### Historical Deisel Fuel Costs - PADD 1A



Source U.S. Energy Information Service



## Curbside Recycling Fuel Costs

Contract Fuel Cost Adjustment	FY2014	FY2015	FY2016	FY2017	FY2018
Base Fuel Price	\$3.873	\$3.873	\$4.450	\$4.450	\$4.450
Estimated Average Cost/Gal	\$4.150	\$4.436	\$4.769	\$5.126	\$5.511
Adjust/Gallon	\$0.277	\$0.563	\$0.319	\$0.676	\$1.061
Gallons	15600	15600	15600	15600	15600
<b>Fuel Cost Adjustment</b>	<b>\$4,321</b>	<b>\$8,781</b>	<b>\$4,970</b>	<b>\$10,549</b>	<b>\$16,547</b>

Town of Natick Fuel Costs	FY2014	FY2015	FY2016	FY2017	FY2018
Estimated Average Cost/Gal	\$3.520	\$3.780	\$4.049	\$4.348	\$4.674
Gallons	21000	21000	21000	21000	21000
<b>Fuel Cost</b>	<b>\$73,920</b>	<b>\$79,380</b>	<b>\$85,029</b>	<b>\$91,309</b>	<b>\$98,157</b>



## Curbside Recycling Fuel Costs

Contract Fuel Cost Adjustment	FY2019	FY2020	FY2021	FY2022	FY2023
Base Fuel Price	\$4.450	\$4.450	\$5.600	\$5.600	\$5.600
Estimated Average Cost/Gal	\$5.924	\$6.368	\$6.846	\$7.359	\$7.911
Adjust/Gallon	\$1.474	\$1.918	\$1.246	\$1.759	\$2.311
Gallons	15600	15600	15600	15600	15600
<b>Fuel Cost Adjustment</b>	\$22,995	\$29,926	\$19,437	\$27,446	\$36,057

Town of Natick Fuel Costs	FY2019	FY2020	FY2021	FY2022	FY2023
Estimated Average Cost/Gal	\$5.025	\$5.402	\$5.807	\$6.242	\$6.710
Gallons	21000	21000	21000	21000	21000
<b>Fuel Cost</b>	\$105,519	\$113,433	\$121,940	\$131,086	\$140,917



## Curbside Recycling Fuel Costs

Contract Fuel Cost Adjustment	FY2024	FY2025	FY2026	FY2027	FY2028
Base Fuel Price	\$5.600	\$5.600	\$8.800	\$8.800	\$8.800
Estimated Average Cost/Gal	\$8.505	\$9.143	\$9.828	\$10.565	\$11.358
Adjust/Gallon	\$2.905	\$3.543	\$1.028	\$1.765	\$2.558
Gallons	15600	15600	15600	15600	15600
<b>Fuel Cost Adjustment</b>	<b>\$45,313</b>	<b>\$55,264</b>	<b>\$16,040</b>	<b>\$27,539</b>	<b>\$39,901</b>

Town of Natick Fuel Costs	FY2024	FY2025	FY2026	FY2027	FY2028
Estimated Average Cost/Gal	\$7.214	\$7.755	\$8.336	\$8.961	\$9.634
Gallons	21000	21000	21000	21000	21000
<b>Fuel Cost</b>	<b>\$151,486</b>	<b>\$162,847</b>	<b>\$175,061</b>	<b>\$188,190</b>	<b>\$202,305</b>



# Curbside Recycling Maintenance Costs

Description	Qty	Measure	Unit Cost	Cost	Annual Freq	Total
Oil 15W40	42	quarts	\$2.26	\$94.92	3	\$284.76
Oil Filter 57746XD	1	ea	\$22.55	\$22.55	3	\$67.65
Fuel Filter	1	ea	\$9.43	\$9.43	1	\$9.43
Gear Oil	2	quarts	\$1.85	\$3.70	2	\$7.40
Tires 315-80R22.5	4	ea	\$405.00	\$1,620.00	1	\$1,620.00
Wipers 30-18	2	ea	\$7.74	\$15.48	2	\$30.96
Misc	1	ea	\$500.00	\$500.00	1	\$500.00
3 Packers						\$2,520.20
						\$7,560.60

## Projected Maintenance Costs

	% Increase	Cost
FY2014		\$7,560.60
FY2015	3.50%	\$7,825.22
FY2016	5.00%	\$8,216.48
FY2017	7.50%	\$8,832.72
FY2018	10.00%	\$9,715.99

	% Increase	Cost
FY2019	10.00%	\$10,687.59
FY2020	10.00%	\$11,756.35
FY2021	5.00%	\$12,344.17
FY2022	3.00%	\$12,714.49
FY2023	3.00%	\$13,095.92



# Curbside Recycling Revenue Sharing Income Estimates

Market Price →	Current Contract Revenue Sharing				Projected Revenues for In-House					
	\$40.00	\$60.00	\$80.00	\$100.00	\$115.00	\$40.00	\$60.00	\$80.00	\$100.00	\$115.00
3200	\$0	\$0	\$16,000	\$48,000	\$72,000	\$0	\$20,000	\$52,000	\$84,000	\$108,000
3300	\$0	\$0	\$16,500	\$49,500	\$74,250	\$0	\$20,625	\$53,625	\$86,625	\$111,375
3400	\$0	\$0	\$17,000	\$51,000	\$76,500	\$0	\$21,250	\$55,250	\$89,250	\$114,750
3500	\$0	\$0	\$17,500	\$52,500	\$78,750	\$0	\$21,875	\$56,875	\$91,875	\$118,125
3600	\$0	\$0	\$18,000	\$54,000	\$81,000	\$0	\$22,500	\$58,500	\$94,500	\$121,500
3700	\$0	\$0	\$18,500	\$55,500	\$83,250	\$0	\$23,125	\$60,125	\$97,125	\$124,875
3800	\$0	\$0	\$19,000	\$57,000	\$85,500	\$0	\$23,750	\$61,750	\$99,750	\$128,250
3900	\$0	\$0	\$19,500	\$58,500	\$87,750	\$0	\$24,375	\$63,375	\$102,375	\$131,625
4000	\$0	\$0	\$20,000	\$60,000	\$90,000	\$0	\$25,000	\$65,000	\$105,000	\$135,000

Contract Revenue = Tonnage \* (Market Price (OBM Yellow Sheet #8)-\$70 \* 50%). Market has varied over the last five years from \$30.00 to \$115.00.  
 Revenue = Market Price (less processing) \* Tonnage \* .5.



# MULTITASK SL™

- Extremely versatile drop-frame body design supports manual, semi-automated, and automated collection\* methods
- Industry leading 1.7 cubic yard hopper capacity
- New simplified, TeleGrip™ telescopic automated container lifting arm
  - Overall maximum vehicle width is less than 102 inches with lift down and grabbers in a work-ready position
- Six inch tapered body reduces friction for easy off-loading
- Twin dump hoist cylinders provide more stability at 45 degree dump angle
- Exclusive Shur-Lock™ tailgate locks provide the most secure tailgate in the industry

\* New automated TeleGrip™ arm option available 1<sup>st</sup> Quarter of 2009

**McNeilus**

*Street Smart. Street Tough.*

# MANUAL/AUTOMATED SIDE LOADER

The Manual/Automated Side Loader truck has the most innovative loading mechanism of any refuse truck on the market. It boasts the flexibility to pick up manual, semi-automated, or fully automated routes. It functions as an automated trainer and can be used as a route cleanup truck for any rear, side, or automated units. With smooth operation and one-button pickup, this truck handles cans of almost any size.



## EVR® II CARTS



### EVR® II CARTS

*The Industry's Only Universal/Nestable Cart*

- Fully Assembled EVR II carts stack inside one another to maximize storage space and minimize delivery costs
- Carts can be ordered fully assembled and Ready to Roll™ directly from the factory
- Carts are compatible with both Semi-Automated and Fully Automated Collection Systems
- Superior material and Advanced Rotational Molding produces carts that are virtually maintenance-free with lower life cycle costs.
- EVR II carts are durable and long-lasting, even in demanding applications. Toter carts do not break - they "Bounce Back"
- New 48 Gallon mid-size container is perfect for urban areas, single unit dwellings, and municipal recycling programs
- Patented Rugged Rim® adds rigidity and places extra material into critical wear areas for extended life
- Features factory installed 360-degree rotating steel stop bar in a reinforced and completely sealed leak-proof journal
- Large foot print and aerodynamic design creates industry leading wind and set-down stability
- All EVR II carts meet ANSI standards of Z245.30 for safety and Z245.30 for compatibility



# ***Town of Natick***

*2012 Fall Annual Town Meeting – Finance Committee Recommendation Book*

---

## **Organization Charts**

---

Community Services Department  
Facilities Management Department  
Finance Department

---

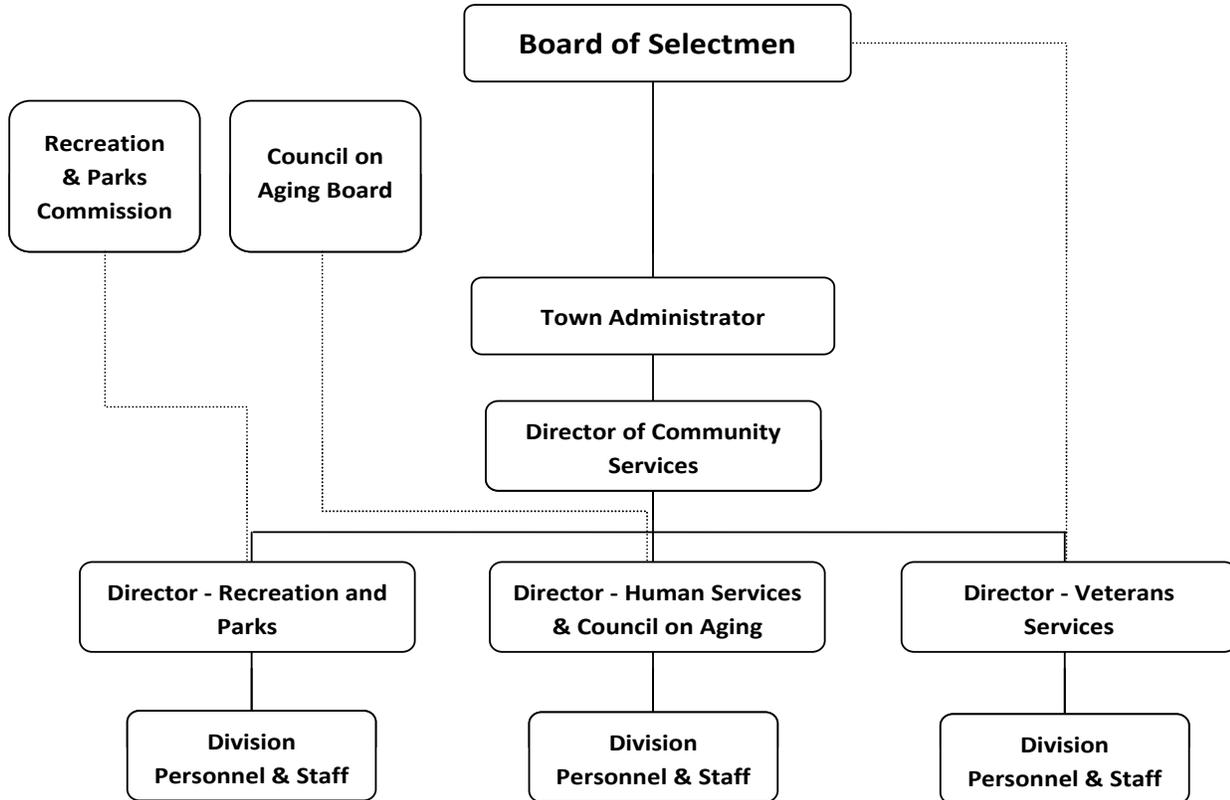


# Town of Natick

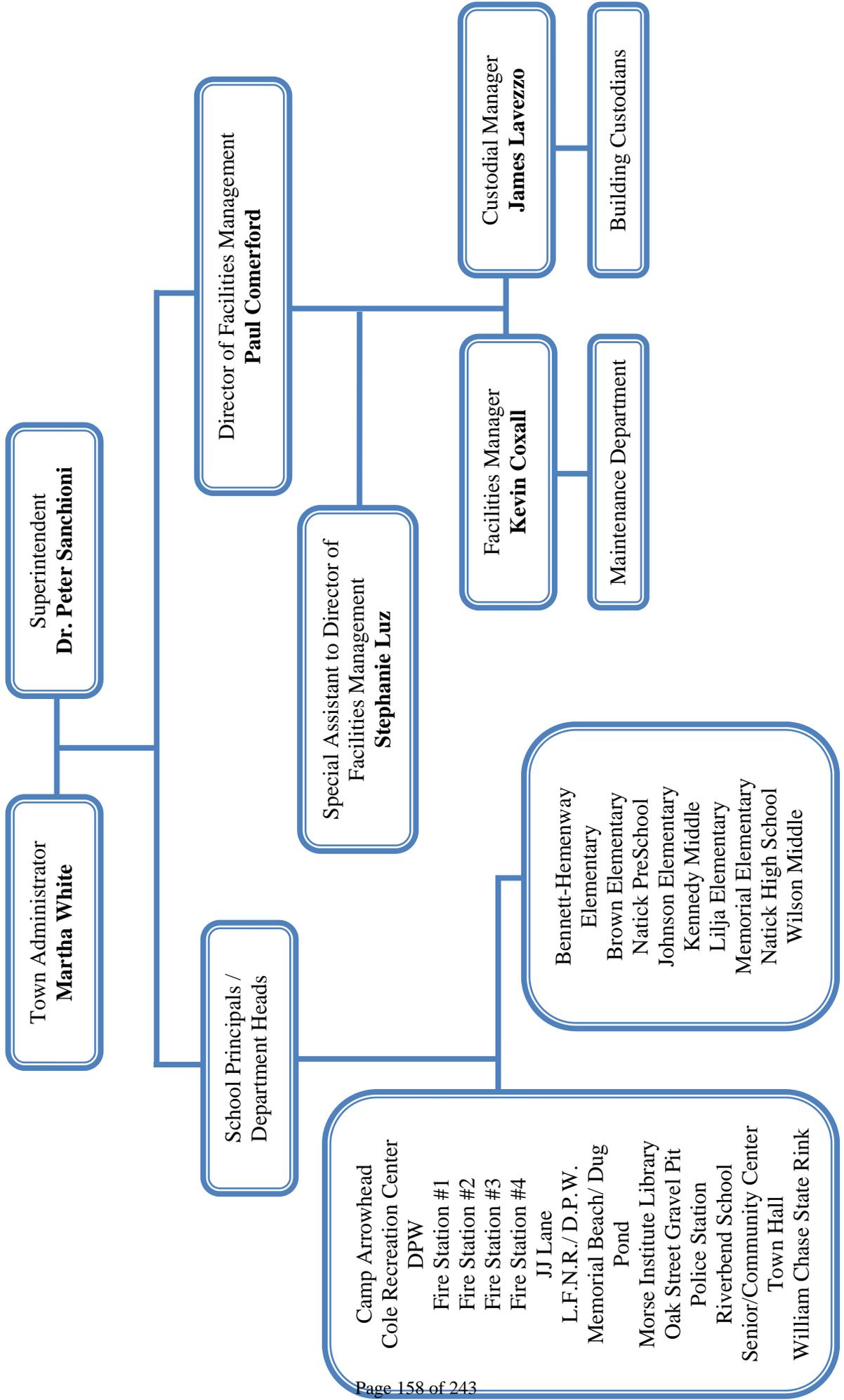
Home of Champions

Department: Community Services

## Organizational Chart



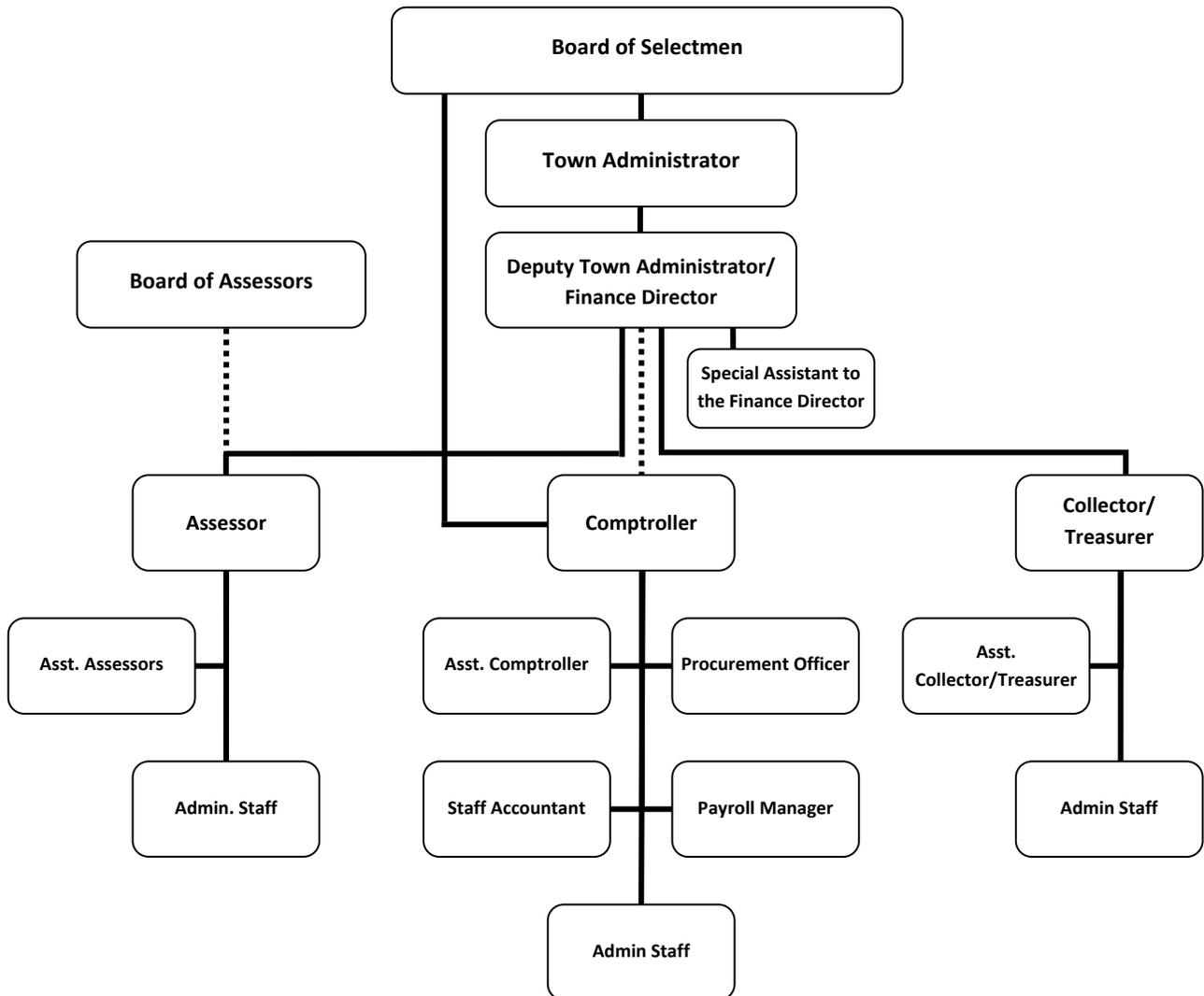
# Department of Facilities Management





**Department: Finance**

**Organizational Chart**





# ***Town of Natick***

*2012 Fall Annual Town Meeting – Finance Committee Recommendation Book*

---

## **Community Choice Aggregation**

### **(Article 26)**



**Community Choice Aggregation**  
**Proposal For Town of Natick, MA**  
**9/4/12**

**Leo D. Sullivan**

# Objective of Presentation

To discuss the opportunity to lower the electric power rates for the entire Natick community by 7-10% (excluding customers on supply) through competition, while increasing the green portion of that electric power.

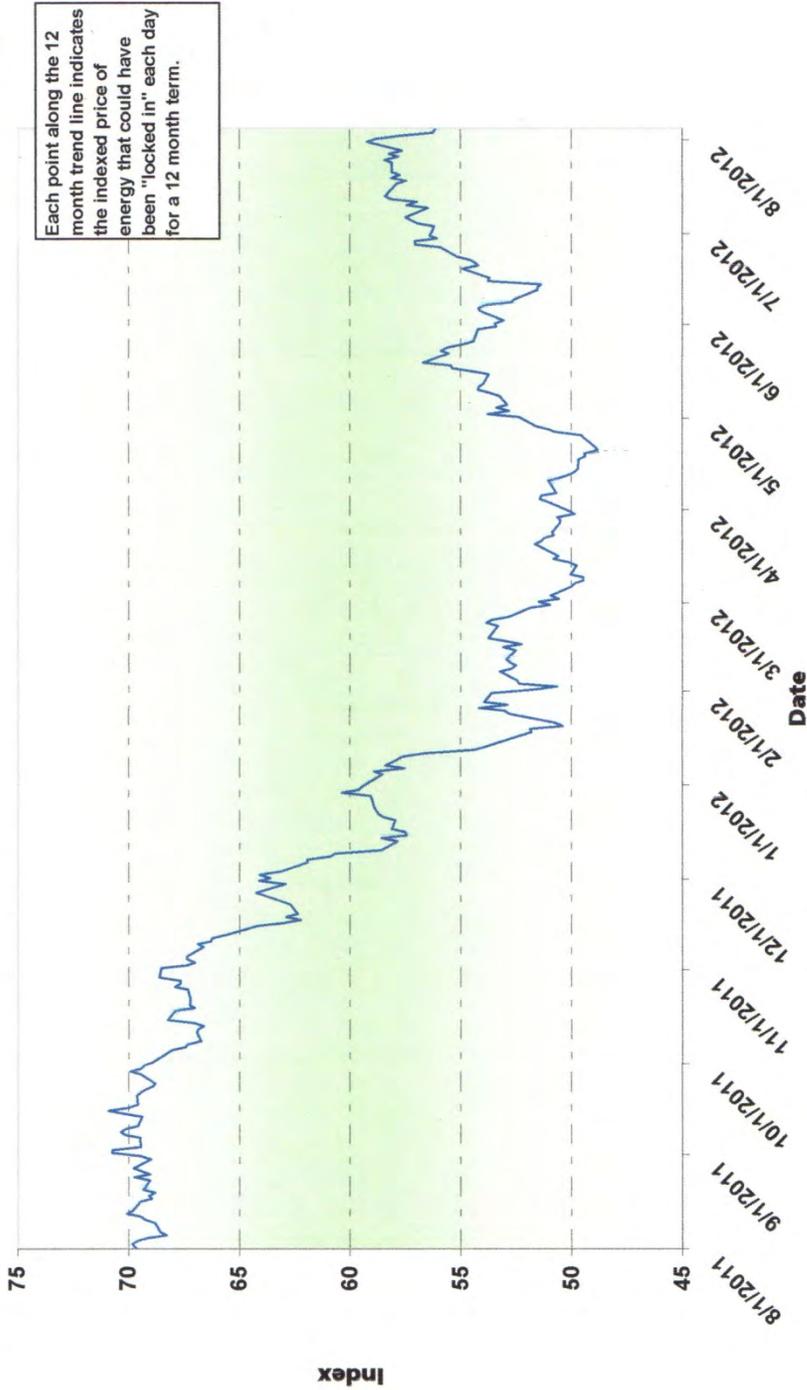
## Strategy:

1. To ascertain viability of objective, authorize Global to analyze load data & solicit “sample” indicative quotes from sample of suppliers.
2. Majority vote of approval from Town Meeting to authorize aggregation (G.L. c.164 & 134a)
3. Execute Community Choice Aggregation Plan.

# Community Choice Aggregation

A huge new opportunity for “greener”, lower energy costs in an otherwise volatile energy market.

## August 7, 2012 12 Month Historical Energy Index



The opinions, estimates and/or projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of TransCanada Power Marketing Ltd. or any of its affiliates, subsidiaries, partners or their respective directors, officers or employees (hereinafter referred to collectively as "TransCanada"). Every reasonable effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are believed to be accurate and complete. Information may be available to the author and/or TransCanada that is not reflected herein. However, neither the author nor TransCanada make any representation or warranty, express or implied, in respect thereof, takes any responsibility for any errors or omissions which may be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this document or its contents. This document is not to be construed as an offer to sell or a solicitation for or an offer to buy any good, product or commodities.

# Massachusetts Law:

- Allows municipalities to aggregate their communities to be served by Electric Service Providers (ESPs).
- Provides opportunity for ESPs to break into MA electricity market to serve towns or cities with bulk power services + energy efficiency programs.

# Deregulation in Massachusetts

- MA is a deregulated state that allows its towns and cities to be an aggregator of power.
- Individual customers are free to opt out or choose own supplier.
- Community will represent those who do not opt out.

# What will aggregation mean?

- Create community pools of electricity customers large enough to command leverage on the market & with sufficient legal authority & financial flexibility to demand contracts from energy suppliers that satisfy local economic and environmental goals.
- Places authority in hands of those who will feel impact of their decisions, thus making investment in renewable electricity more likely.

# Global Electric Power Brokerage

- **Who we are:**
  - Global Partners LP – Fortune 500 Public Company on NY stock exchange. Diversified energy marketing & petroleum organization serving needs of commercial & industrial interests throughout the U.S. Wide range of customers.
  - Global Montello Group Corp. – wholly owned subsidiary offering customized electric power procurement & management services. (Executed over a hundred electric power procurement RFP's over last 7 yrs.).
- **What we do:**
  - Achieve the most competitive electric power costs for our customers.
  - Work as an independent & unbiased representative of the town's residents.

# Global Electric Power Brokerage

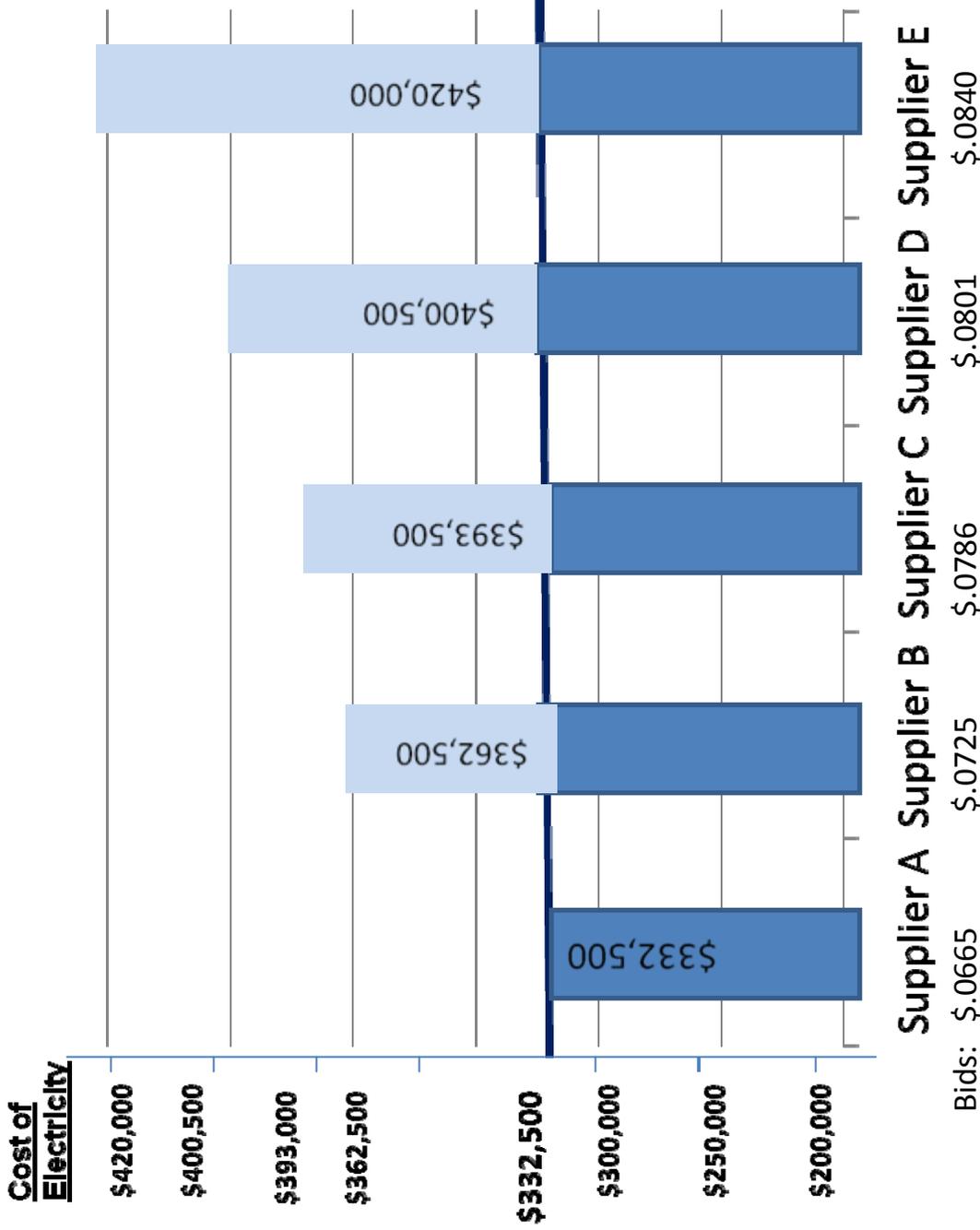
- **Competitive Advantages:**
  - Guidance in contract terms to meet specific needs, term length & save customers time & expense
  - Develop customized plan & strategy to establish future price objectives
  - Procurement process provides significant savings due to identification of dramatic & volatile price swings
  - Winning supplier pays Global nominal, predetermined volumetric transaction fee.

# Global Electric Procurement Value Proposition

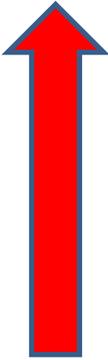
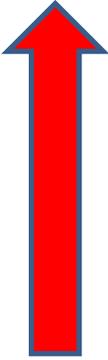
- Independent & unbiased company
- Extensive network of electric power suppliers
- Agreements in place with largest & most active electric suppliers in marketplace
- Relationships plus bidding process provides our customer base ability to receive the most comprehensive and transparent pricing of electric power.

.....Following chart portrays price range of quotes of actual bidding session + range of quotes & savings

# How can difference in supplier bids impact your cost? (Actual example)



# % of kWh in MA Purchased from Competitive Supplier by Category

	Residential	13%
	Small Commercial	40%
	Medium Commercial	60%
	Large Commercial	89%

# MA Residential Customers Purchasing Electric Supply from Competitive Supplier

Cape Light Compact	150,000
City of Marlborough	15,000
Town of Ashland	6,500
Town of Lunenburg	4,500
Town of Lanesborough	1,500
<b>Total Served by Community Choice Aggregators</b>	<b>177,500</b>

Total served by other competitive suppliers  
**122,000**

**vs. 1,806,410**  
residential customers in MA

**60% of residents purchasing electric supply from competitive suppliers do so through CCA's.**

# MGL 164 sec 134

## Section 134. (a)

- Any municipality or any group of municipalities acting together within the Commonwealth is hereby authorized to aggregate the electrical load of interested electricity consumers within its boundaries.
- A town may initiate a process to aggregate electrical load upon authorization by a majority vote of town meeting or town council.
- Two or more municipalities may as a group initiate a process jointly to authorize aggregation by a majority vote of each particular municipality as herein required.

# History of Aggregation in MA



- 2005 Cape Light Compact
- 2007 Marlborough
- 2011 Lunenburg
- 2012 Lanesborough, Ashland

# Status Update on CCA's

## Marlborough

- ConEdison Solutions
- Term – thru Nov 2012
- Savings (June 2007 – present) \$2,000,000

## Lunenburg

- ConEdison Solutions
- Term – thru June 2012
- Savings - \$200,000

## Lanesborough

- Dominion Retail
- Term – thru Jan 2012
- Savings - \$150,000

## Ashland

- ConEdison Solutions
- Term – thru Aug 2012
- Savings - \$180,000

# Benefit to Community/Municipality with Community Choice

Choice	No longer “stuck” with utility’s rates
Control	City sets its own energy goals
Stability	Town can seek long-term rates
No tax \$ used	No adds to staff
No penalties for consumers	Opt out

# Advantages of Community Choice cont....

- Non Profit
- Non Discriminatory
- Subject to DPU approval after consultation with DOER
- Subject to Ethics and Open Bidding Laws
- Subject to local consumer control
- Can attract businesses to community due to lower electric power rate.

# Steps to implement plan:

- 1) Authorize Global to analyze load data and solicit “sample” indicative quotes from sample of suppliers (no cost to Town)**
- 2) If viable, authorize Global to execute Aggregation Plan**
- 3) Majority vote of Town Meeting to authorize aggregation (G.L. Ch. 164 § 134)**
- 4) File plan and related documents with MA DPU**

**Cont.**

- 5) Upon approval, solicit final pricing offers from Competitive Suppliers**
- 6) Execute Electric Service Agreement (ESA) with supplier**
- 7) Commence local marketing/PR/Education efforts**
- 8) Manage opt-out process**
- 9) Interface with supplier & utility to manage enrollment of participating customers**

# Estimate of potential town residents savings to be put back into the local economy

9,500 kWh (Avg. annual usage by residential utility customer [EIA])

X 13,080 (# Natick HHs [Town Website])

124,260,000 Residential kWhs

53,254,285 Est. kWh Commercial/Industrial (est.30% of total)

177,514,285 Total Est. kWhs

X \$0.01 (Est. diff. Choice Aggregation vs. utility rate)

\$1,775,142 Ann. Est. Savings on electric power by Natick residents to be put back into local economy

**\$1,775,142 Potential Savings on Electric Power**

# Global's Role in the Process

1. Create Aggregation Plan
2. Steer Plan through local & state approval processes
3. Analyze Load Data
4. Preparation of RFP's for Supply of Power
5. Negotiate and draft contract for
6. Customer Enrollment/Transition Process
7. Public Education
8. Management & monitoring of Aggregation Program



# ***Town of Natick***

*2012 Fall Annual Town Meeting – Finance Committee Recommendation Book*

---

## **Town Meeting Caucus Process Committee**

**(Article 32)**

## Contents

<b>Recommendation .....</b>	<b>1</b>
<b>Background .....</b>	<b>2</b>
<b>Discussions of the Committee .....</b>	<b>2</b>
Testimony from Precinct 9 members.....	3
Applicability of the Caucus Process .....	3
Majority vs. Plurality Vote.....	3
By-Law vs. Town Clerk Process .....	3
Notice to the Public.....	3
MGL Open Meeting Law .....	4
<b>Approved Caucus Process.....</b>	<b>5</b>
<b>Minority Report .....</b>	<b>7</b>

## Recommendation

By a vote of 5-0-0 on September 19, 2012, the Committee voted to adopt the attached recommended process, as a policy of the Town Clerk's office, for filling a vacancy by a caucus of Town Meeting members when such a caucus is required and justified under Section 2-6 of the Natick Home Rule Charter.

By a vote of 5-0-0 on July 31, 2012, the Committee voted to present a report to Fall Annual Town Meeting, and not to submit any by-law amendment to the Annual Town Meeting.

This recommendation is respectfully submitted by the Town Meeting by the Town Meeting Caucus Process Committee.

Richard Sidney, Chair  
Carol Gloff, Vice Chair  
Karen Adelman Foster  
Paul Connolly  
Diane Packer

## **Background**

The Town Meeting Caucus Process Committee was formed on June 11, 2012 by the Town Moderator, as required by the referral of Spring 2012 Annual Town Meeting article 36.

The referral motion reads:

“Move that the Town vote to refer the subject matter of Article 36 to a committee of 3 to 5 members with term to May 31, 2013 to be appointed by the moderator. The charge for the committee is to draft a recommended change to the Town of Natick Bylaws to define a process for filling Town Meeting Member vacancies by action of Town Meeting or a caucus of Town Meeting members. The process to be defined is intended to apply to the situation when any vacancies have already been filled by persons who received votes at the town election (in accordance with Section 2-6 of the Natick Home Rule Charter) and there are still vacancies remaining to be filled.”

The Committee adopted as its charge:

“The charge for the committee is to draft a recommended change to the Town of Natick Bylaws to define a process for filling Town Meeting Member vacancies by action of Town Meeting or a caucus of Town Meeting members. The process to be defined is intended to apply to the situation when any vacancies have already been filled by persons who received votes at the town election (in accordance with Section 2-6 of the Natick Home Rule Charter) and there are still vacancies remaining to be filled. A report or a warrant article will be presented to Fall 2012 Annual Town Meeting.”

## **Discussions of the Committee**

The Committee met five times between June 6 and September 19, 2012.

During this time, the Committee heard testimony from Town Meeting Members from Precinct 9, for which the only Appointing Caucus has been held to date under Article 2-6 of the Natick Home Rule Charter.

The Committee requested an opinion from Town Counsel as to whether such a Caucus would be subject to the Provisions of MGL Open Meeting Law.

The Committee reviewed past experience with the Caucus in Natick.

Throughout these discussions, the Committee reviewed and documented the process that we felt was appropriate for general use when such a Caucus was required and justified.

The Committee discussed an alternative process to have Town Meeting Members elect Members-at-Large to fill vacancies at Town Meeting.

The Committee also discussed at length whether such a process should be written into the Town of Natick By-Laws or whether such a process is more appropriately held as a formal process of the Town Clerk.

The Committee considered how to best keep the Town informed of such a process or policy.

The Committee discussed whether a change to the Natick Home Rule Charter was justified to further clarify when and how such a Caucus would be held. Such a discussion was deemed to be out of the scope of the Committee's charge.

Each sentence of the approved process was reviewed by the committee, to ensure that it conformed to the Natick Home Rule Charter; is sufficiently clear to members of a Caucus, the Town Clerk and the Town Moderator; and contains sufficient contingency provisions to allow a Caucus to manage itself.

### **Testimony from Precinct 9 members**

The members of Precinct 9 who attended our meeting reported that they were unclear as to the purpose or the process of the Caucus.

### **Applicability of the Caucus Process**

The Committee recognized that, under the Charter, the Caucus process is only required in the event that all other measures used for filling Town Meeting vacancies have been exhausted. Therefore, it is possible that a Caucus will be unable to fill such vacancies, and the Caucus may need to be repeated. Also, the Caucus will only be held if there is a Town Meeting between the discovery of the vacancy and the next general Town Election.

### **Majority vs. Plurality Vote**

The committee discussed whether a vote of the Caucus requires a majority or a plurality to appoint a Town Meeting Member.

The Natick Home Rule Charter, § 2-6 (d) states, in part, that "The eligible candidate who resides in the precinct in question and who receives the highest number of votes at such a caucus shall serve as a town meeting member..." The Committee felt that this defines the process as requiring a plurality, rather than a majority vote.

### **By-Law vs. Town Clerk Process**

The Committee considered amending the Town of Natick By-Laws to specify the process. After much discussion, the Committee felt that creating such a By-Law would require extremely specific language to deal with unexpected contingencies, and that keeping the process as a formal process of the Town Clerk's office would provide needed flexibility to the Town Clerk, within the confines of the requirements of the Charter, to successfully hold such a Caucus. This was reflected in the Committee's vote to adopt the process without proposing a By-Law amendment.

### **Notice to the Public**

The Committee discussed how best to keep the public informed of the process, and of upcoming Caucuses. The Charter generally requires 48-hour notice of the calling of a Caucus. The Committee refined that by including in the process that the process be part of the notice sent to Town Meeting members who may participate in such a Caucus.

### **MGL Open Meeting Law**

Based on an opinion from the Attorney General and a verbal opinion from Town Counsel, the Committee believes that a Caucus of Town Meeting is not subject to MGL Open Meeting Law.

Additionally, since the Caucus is a body called specifically to supplement the election process for a Precinct, the committee believes that such a Caucus should follow the accepted guidelines for an election, as opposed to the guidelines for a committee.

## **Approved Caucus Process**

If a vacancy or vacancies cannot be filled from the List of Persons Eligible to Fill Vacancies, the Town Clerk shall call a caucus of the Town Meeting members from the precinct in question. Each precinct with a vacancy or vacancies shall have a separate caucus that operates independently of any other precinct's caucus.

The charge of each caucus shall be to fill its precinct's vacancy or vacancies by nominating at least one eligible candidate for each vacancy and by voting from among those candidates. Caucus procedure shall be as described below.

### **Notice**

Notice of the vacancy or vacancies and notice of the object, time, and place of each caucus shall be posted on the town bulletin board and town website and sent by mail to the current Town Meeting members from the precinct in question. Notice of the caucus procedure shall be posted on the town website and included in the mailing to Town Meeting members from the precinct in question.

This notice shall be made by the Town Clerk (or designee) at least forty-eight (48) hours prior to any scheduled caucus, except where town meeting scheduling requirements prevent such notice.

The notice to caucus members shall include a description of the Caucus Procedure.

### **Caucus Procedure**

Caucuses shall be open to the public but need not follow the requirements of the Open Meeting Law under Massachusetts General Law. A quorum shall consist of a majority of current (including newly-elected) Town Meeting members. Before the caucus is called to order, the Town Clerk or Town Moderator will administer the Town Meeting oath of office to any caucus member who has not previously been sworn in as a current Town Meeting member.

**Officers:** For each caucus, the Town Clerk shall appoint a Caucus Moderator and Caucus Clerk to preside over and record the proceedings of the caucus. These officers need not be residents of Natick nor be members of the caucus. The officers shall not be voting members of the caucus unless they are Town Meeting members from the precinct in question.

**Conduct of Meeting:** The Caucus Moderator shall set the rules of the meeting. Such rules must include allowing time for candidate and nominee statements, and may include a time limit for such statements.

**Nominations:** The Caucus Moderator shall accept nominations from caucus members. Nominations do not require a second. Nominees do not need to be present at the caucus to be nominated, nor do they need to have consented to be nominated in order to be eligible for nomination. The Caucus Moderator (or designee) shall compile and display to caucus members a list of nominees and their current addresses, then allow time for statements to be made by any nominee.

**Voting:** Voting will take place by secret ballot. Caucus members will list their choice(s), up to the number of vacancies in the precinct.

The officers will tally the votes and declare the winner(s). A plurality of the vote is sufficient to appoint. In the event of a tie, a run-off vote will be held between those tied for the vacancy or vacancies in question. The Caucus Clerk will make available the paper ballots for examination by the caucus members, will notify the Town Clerk of the results of the caucus, and will supply the Town Clerk with the paper ballots.

**Acceptance of the position:** If present, the winner(s) may officially accept the position by signing an acceptance form provided by the Town Clerk, and such acceptance will be included in the notification to the Town Clerk and Town Moderator. Any winner(s) not present will be notified by the Town Clerk regarding their election, and asked to verify their willingness accept the position.

Newly appointed Town Meeting members may be sworn in at the Caucus or will be sworn in at the next session of Town Meeting.

### **Special Circumstances**

**Replacement of officers:** A caucus may vote to appoint a different Caucus Moderator and/or Caucus Clerk. A motion to appoint a different Caucus Moderator and/or Caucus Clerk may be made by caucus members only and takes precedence over any other motion, but may only be made prior to the nominations.

## Minority Report

This minority report is intended to point out the alternative approach to filling vacancies in Town Meeting membership (when those vacancies cannot be filled from a list of unsuccessful candidates who received votes at the last election) by vote of Town Meeting under a *boiler-plate* warrant article for that purpose.

The alternative approach utilizes the practice of defining *town meeting members at large* who are nominated to fill vacancies until the next town election and are chosen by plurality vote by all Town Meeting members present. It is expected that nominees from the precincts that would otherwise lack full representation would be the desired preference of those voting; but, other than nominees being Natick voters, there are no limitations on who may be nominated. If there are multiple vacancies, only one vote is conducted to fill all vacancies. Similar to what occurs at elections for Town Meeting members, ties are resolved by lottery.

The overall advantage of this alternative approach is that it does not suffer the disadvantages of the approach of utilizing caucuses of Town Meeting members who act in the place of the voters in the precinct to select persons to fill the vacancies. These disadvantages include: (1) administrative overhead to schedule caucuses, appoint presiding officer and clerk, and insure standardization of procedures across all caucuses; and (2) situation of too few persons selecting others to serve.

During the first twenty years under the charter, Natick experienced the use of caucuses in some precincts not only as a last resort to fill vacancies, but also, on many more occasions, to resolve ties.

By a charter change adopted in 2002, Natick dropped the use of caucuses as a last resort to fill vacancies, thereby relying solely on unsuccessful candidates from the election, and settled on a lottery to resolve ties. Subsequent to 2002, at times, but infrequently, there were unfilled seats, typically in one particular precinct. Then by a charter change adopted in 2012, caucuses were reinstated, but how they would operate was not defined. Presumably, they would operate similarly to the way they operate in other towns with representative town meeting. However, in most towns, caucuses are the sole way to fill vacancies (see standard in MGL, c.43A, s.9), whereas in Natick they are a last resort after unsuccessful candidates are appointed. These other towns (for instance, Framingham) have some unfilled seats year after year.

Natick deserves something better than caucuses.<sup>1</sup>

Respectfully submitted,  
Paul E. Connolly

<sup>1</sup> For more information about past caucus experience and the alternative approach described above, see (1) **Past Experience with Town Meeting Member Caucus in Natick** and (2) **Argument for Appointments by Town Meeting**. Both documents are filed with the minutes for the meeting of July 31, 2012 of the Town Meeting Caucus Process Committee.



# Appendices

---

Financial Policies

Financial Indicators

Capital Information

    FY 2013 Capital budget

    FY 2013 Capital Project Operating Budget Impacts

    FY 2013-2017 Capital Improvement Program

Glossary

Demographics & Information

---

# Town of Natick - Financial Management Principles

---

## PART 1: GENERAL

To protect the town's financial stability, to ensure the availability of adequate financial resources in times of emergency, to capitalize on high bond ratings (and thus low interest rates), it is essential that policies regarding the town's financial management be adopted and adhered to in the preparation and implementation of the town's operating and capital budgets.

## PART 2: PRINCIPLES

### Reserves: Use and Recommended Balances

- Reserves and one-time revenues should be used only for capital or other non-recurring expenses, except as noted below.
- The Town will strive to maintain unappropriated free cash at a minimum of 1% of revenues, and unappropriated free cash should never be less than ½ % of revenues.
- The Town will maintain a diversified series of permanent reserves in the form of stabilization funds. These stabilization funds will consist of three types:
  - 1. A General Stabilization Fund should be maintained for the purpose of unforeseen and catastrophic emergencies. It should, at a minimum, be at a level equal to 2% of revenues, with the target being 5% of revenues.
  - 2. An Operational Stabilization Fund should be maintained for the purpose of augmenting operations in case of sustained economic downturn and associated loss of revenues in support of operations. Sustained economic downturn will be any situation whereby State Aid and/or local receipts are significantly reduced from one-year to the next. ("Significantly" being defined as more than 5% of the total for the respective revenue category.) The target amount of money in the Operational Stabilization Fund should be sufficient to sustain operations through a three-year period of economic downturn. This shall be equivalent to 10% of State Aid Revenues and 5% of Estimated Receipts cumulative for a three-year period.
  - 3. A Capital Stabilization Fund should be maintained for the purpose of funding any capital related project, or pieces of capital equipment, or debt-service payment related thereto. It shall be funded through local option taxes
- Existing reserves should be enhanced whenever possible.

### Capital Planning and Budgeting

- A 5-Year capital plan should be developed and updated annually, per Section 5-7 of the Town's Charter.
- Whenever practical, capital funding should be done in the fall after free cash has been certified.
- A minimum of 6-7% of net general fund revenues (i.e within –levy) should be set aside annually to fund capital needs, inclusive of cash appropriations and the subject year's debt budget. Not included in this target are those capital improvements and equipment purchases funded through Debt Exclusions, Enterprise Funds, Intergovernmental Funds, Grants Mitigation Funds, Chapter 90 Funds, etc. This goal should be revisited regularly to ensure that the Town is investing adequately in its capital needs.

### Debt Issuance and Management

- Capital projects should be carefully scheduled and monitored to minimize borrowing costs while optimizing investment opportunities.
- Large capital project, generally costing over \$1 million and having a useful life of ten years or more, are typically funded with debt to spread the cost out over many years. In order to prevent such projects from absorbing significant capacity within the levy, careful consideration should always be given to excluding these projects from the limits of Proposition 2 ½ through debt exclusion question to the voters.
- Whenever practical, the issuance of expensive short-term Bond Anticipation Notes should be avoided.

# Town of Natick - Financial Management Principles

---

## **Financial Planning and Forecasting**

- Revenue estimates should be realistic, yet conservative, to minimize the potential of shortfalls in the subsequent year's operating budgets and corresponding impacts on free cash.
- Three year revenue and expenditure forecasts should be updated annually.

## **Cash Management**

- Balances in prior Town Meeting funding articles shall be reviewed annually and excess balances shall be closed out to free cash.
- Fees and charges will be reviewed regularly to ensure that – where appropriate – they cover direct and indirect costs associated with the related service.

*Originally adopted by the Board of Selectmen, March 2011  
Last Revised by Board of Selectmen, February 6, 2012*



*Town of Natick*

---

## **Financial Indicators**

**Indicator Analysis, Fiscal Years 2003-2012  
Projections & Estimates, Fiscal Year 2013-2015**

---



**Table of Contents**

**Introduction**

**Indicator Analysis**

- 1 Property Tax Revenues
- 2 Uncollected Property Taxes
- 3 State Aid
- 4 Revenues Related to Economic Growth
- 5 Expenditures per Household
- 6 Personnel Costs
- 7 Employee Benefits
- 8 Pension Liability
- 9 Capital Investment
- 10 Debt Service
- 11 Reserves/Fund Balance
- 12 Use of One-Time Revenues & Reserves for Operating Budget

**Revenue and Expenditure Projections**

- FY 2013-2015 Projection - Introduction
- Revenue/Expenditure Projection - FY 2013-2015

**Appendices**

- A Average Residential Tax Bill
- B Per Pupil Spending
- C Population Projections
- D OPEB
- E FY 2014 Calendar & Budget Process
- F Notes & Assumptions



# Town of Natick

## Financial Indicators

### Introduction

This series of indicators are designed to achieve three goals:

- a) Evaluate the fiscal health of the Town of Natick through a series of financial indicators and comparative benchmarks, where appropriate;
- b) Present a three-year projection of Revenues & Expenditures; and
- c) Outline the FY 2014 Budget Process & Issues

This material is intended to provide policymakers with an informed snapshot of where Natick stands financially heading into the FY 2014 Budget Process. It is not the purpose of this exercise to propose a budget or recommended level of services; rather it is to evaluate Natick via a series of benchmarks, including measures such as revenues and expenditures per household, benefit costs, funded and unfunded liabilities incurred by the Town, debt service, reserve position and population.

Using a series of recognized metrics from professional organizations, including the International City/County Management Association, (ICMA), the Government Finance Officer's Association (GFOA), Standard & Poor's, as well as data from the Town of Natick, Mass. Department of Revenue, the Mass. Department of Education, and the U.S. Census Bureau, Town staff has compiled 12 indicators which can be used to evaluate the Town's fiscal health.

In evaluating Natick's financial condition, staff has found that the Town has both fiscal strengths and weaknesses. In particular,

- Natick has favorable property tax collections, personnel costs, debt service levels (both as a percentage of operating revenues and per capita) and reserve levels.
- Natick has marginal and uncertain levels of State Aid, revenues related to economic growth, benefit expenditures, amounts of capital investment, reserve levels, and reliance upon one-time revenues.
- Natick has unfavorable expenditures per household and pension liabilities

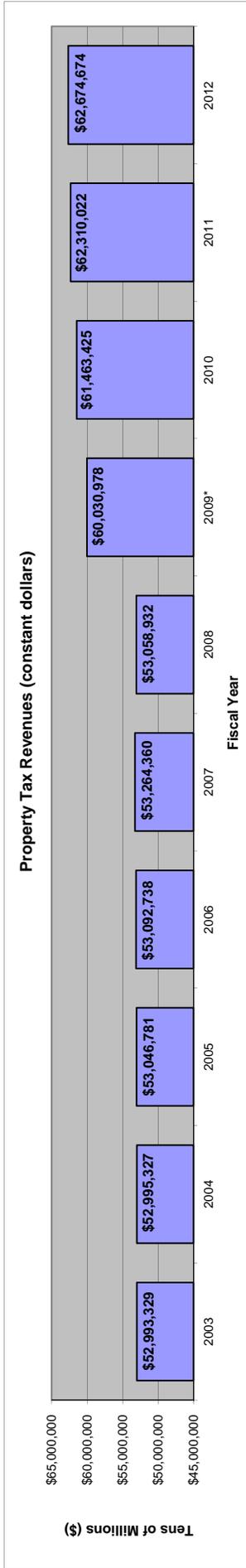
These measures indicate that, overall, the Town has performed at a high level worthy of its AAA Credit Rating (from Standard & Poor's), but that continued maintenance of that rating relies upon maintaining favorable trends, addressing unfavorable trends, reducing future liabilities and continuing to work towards both sustainable services and cost-effective service delivery.

These indicators, and the projections and appendices which are attached to them, will be updated annually to provide the community, particularly those involved with the budget process, the most useful information available when making budget decisions. This effort is a continuation of and consistent with several other initiatives including the development of the Natick 360 Strategic Plan, development of financial management principles, improvements to the capital improvement planning and budgeting processes, improvements to the water and sewer rate setting process, ongoing revenue enhancement and expense control efforts, and more. All of these efforts are designed to allow us to identify and attain the desired future for the Town of Natick and its residents.



**Property Tax Revenues**

Trend Guideline: A decline in property tax revenues (constant dollars) is considered a warning indicator.



Formula: Property Tax Revenues (constant dollars)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009*	2010	2011	2012
Property Tax Levy Collections**	\$ 54,105,235	\$ 55,565,671	\$ 58,481,406	\$ 61,127,172	\$ 62,193,155	\$ 64,432,962	\$ 72,649,672	\$ 76,171,856	\$ 79,159,166	\$ 85,587,087
Less: debt exclusions**	\$ (639,000)	\$ (317,000)	\$ (1,313,405)	\$ (1,540,676)	\$ (1,031,410)	\$ (960,274)	\$ (937,705)	\$ (918,361)	\$ (894,180)	\$ (5,057,862)
Net Property Tax Revenues	\$ 53,466,235	\$ 55,248,671	\$ 57,168,001	\$ 59,586,496	\$ 61,161,745	\$ 63,472,688	\$ 71,711,967	\$ 75,253,495	\$ 78,264,986	\$ 80,529,225
CPI-U, 2002 base year***	192.2	198.6	205.3	213.8	218.7	227.9	227.6	233.2	239.3	244.8
CPI-U, adjustment for constant dollars	99.1%	95.9%	92.8%	89.1%	87.1%	83.6%	83.7%	81.7%	79.6%	77.8%
<b>Property Tax Revenues (constant dollars)</b>	<b>\$ 52,993,329</b>	<b>\$ 52,995,327</b>	<b>\$ 53,046,781</b>	<b>\$ 53,092,738</b>	<b>\$ 53,264,360</b>	<b>\$ 53,058,932</b>	<b>\$ 60,030,978</b>	<b>\$ 61,463,425</b>	<b>\$ 62,310,022</b>	<b>\$ 62,674,674</b>
<b>Percent increase over prior year (constant dollars)</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>-0.4%</b>	<b>13.1%</b>	<b>2.4%</b>	<b>1.4%</b>	<b>0.6%</b>

Notes:

\* Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

\*\* Source: Mass. Department of Revenue, Databank Reports, Fiscal Year 2000 - 2009 Excess Levy Capacity, Tax Recaps, FY 2012 Town of Natick 4th Quarter Revenue Report

\*\*\* Amount shown for CPI-U data assumes half-year average for Boston-Brockton-Nashua Statistical Area, where 1982-1984 = 100. Source: U.S. Bureau of Local Accounts

Property Tax Revenues:

Property tax revenues are analyzed separately because they are the Town's primary revenue source for both operating and capital spending. Increases due to operating overrides, while enhancing the Town's ability to deliver services, must be weighed against their impact on taxpayers ability to pay.

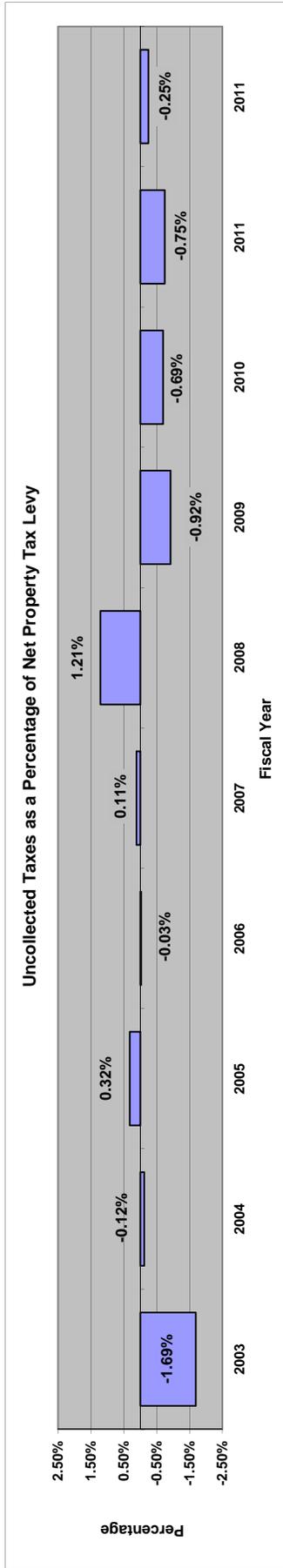
This analysis shows that the only significant increases in constant dollars from year to year occurred when overrides were passed by Natick citizens. The good news: Property tax revenues are steady and reliable. The bad news: They do not grow faster than inflation, and only grow when citizens are willing to pay more.

Natick Trend	
favorable	X
marginal	X
unfavorable	
uncertain	



Uncollected Property Taxes

Trend Guideline: Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by the Bond rating organizations.



Formula:  $\frac{\text{Uncollected Property Taxes}}{\text{Net Property Tax Levy}}$

Fiscal year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
Property Tax Levy Limit	\$ 54,138,834	\$ 55,923,830	\$ 58,850,705	\$ 61,169,262	\$ 62,839,514	\$ 65,186,660	\$ 73,027,965	\$ 76,971,074	\$ 79,684,141	\$ 86,502,701
Reserved for Abatements & Exemptions	\$ 1,090,891	\$ 1,073,347	\$ 988,493	\$ 1,049,572	\$ 1,240,811	\$ 1,003,911	\$ 1,039,144	\$ 1,321,477	\$ 1,112,323	\$ 1,128,592
Net Property Tax Levy	\$ 53,047,943	\$ 54,850,483	\$ 57,862,212	\$ 60,119,690	\$ 61,598,703	\$ 64,182,749	\$ 71,988,821	\$ 75,649,597	\$ 78,571,818	\$ 85,374,109
Uncollected Taxes as of June 30	\$ (898,130)	\$ (64,749)	\$ 183,006	\$ (15,470)	\$ 68,333	\$ 774,703	\$ (660,851)	\$ (522,259)	\$ (587,348)	\$ (212,978)
<b>Uncollected Taxes as a Percentage of Net Property Tax Levy</b>	<b>-1.69%</b>	<b>-0.12%</b>	<b>0.32%</b>	<b>-0.03%</b>	<b>0.11%</b>	<b>1.21%</b>	<b>-0.92%</b>	<b>-0.69%</b>	<b>-0.75%</b>	<b>-0.25%</b>

Source: Town of Natick Operating Statements, 2002-2011, Tax Rate Recapitulation Worksheets for Fiscal 2012, Massachusetts Department of Revenue

Uncollected Property Taxes:

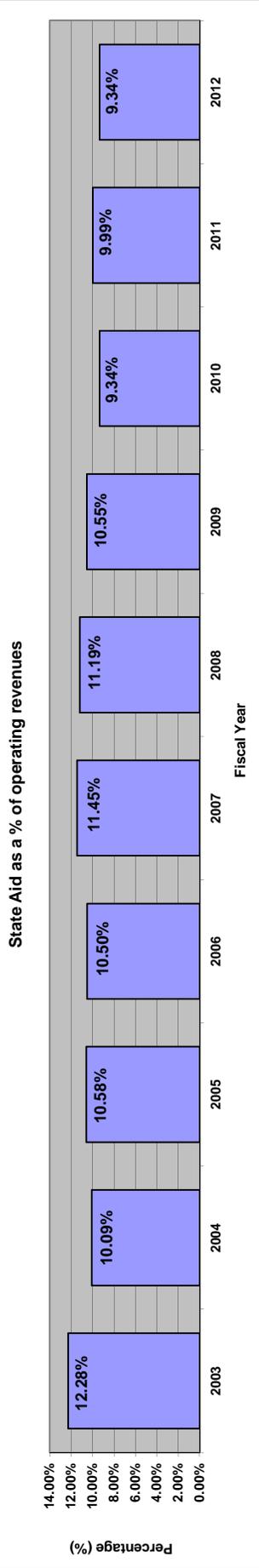
An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating organizations generally consider uncollected taxes in excess of five percent as a warning trend. Natick has exceptionally strong collection rates, regardless of economic circumstances during the last decade. This is attributable to strong efforts in tax title collection and the diligence of Natick citizens to pay their taxes on time.

Natick Trend	
favorable	x
marginal	
unfavorable	
uncertain	



**State Aid**

**Trend Guideline:** Reductions in State Aid, as a percentage of operating revenues, is considered a warning indicator particularly if the Town does not have adequate reserves to offset reductions.



**Formula:**

**State Aid / Operating Revenues**

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net Operating Revenues	\$ 80,358,614	\$ 82,728,409	\$ 85,275,469	\$ 88,981,117	\$ 93,515,538	\$99,994,725	\$ 101,084,164	\$ 103,919,727	\$ 108,155,927	\$ 112,768,437
State Aid Revenues	\$ 11,345,247	\$ 9,806,856	\$ 10,390,668	\$ 10,714,907	\$ 12,078,231	\$14,845,086	\$ 11,576,985	\$ 10,619,913	\$ 11,719,198	\$ 11,449,436
Less: School Building Reimbursements	\$ 1,475,035	\$ 1,461,337	\$ 1,369,707	\$ 1,369,707	\$ 1,369,707	\$ 3,659,335	\$ 916,839	\$ 916,839	\$ 916,839	\$ 916,839
Net State Aid Revenues	\$ 9,870,212	\$ 8,345,519	\$ 9,020,961	\$ 9,345,200	\$ 10,708,524	\$11,185,751	\$ 10,660,146	\$ 9,703,074	\$ 10,802,359	\$ 10,532,597
<b>State Aid as a % of operating revenues</b>	<b>12.28%</b>	<b>10.09%</b>	<b>10.58%</b>	<b>10.50%</b>	<b>11.45%</b>	<b>11.19%</b>	<b>10.55%</b>	<b>9.34%</b>	<b>9.99%</b>	<b>9.34%</b>

**Notes:**

State Aid "Cherry Sheets", FY 2003-2012

Source(s): Town of Natick Town Reports, Report to Assessors of Certain Receipts as per M.G.L.Ch. 42, Sec. 59A., 2002-2010

**State Aid:**

<i>Natick Trend</i>	
favorable	
marginal	x
unfavorable	
uncertain	x

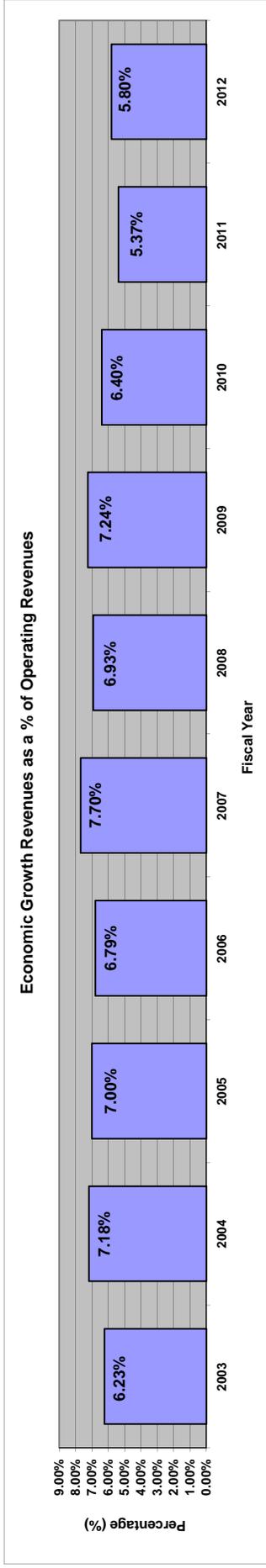
A constant area of concern for municipalities in Massachusetts is the level of State Aid which they receive. Many mandates - funded and unfunded - come from Beacon Hill to local governments and the challenge to enforce, implement and help citizens understand them falls to the municipalities. Designed to fund a variety of local services - from education to veterans services and many things in between, intergovernmental (State) aid is an important component of the overall revenue picture. Declines in State Aid are particularly troublesome as municipalities are not capable of controlling them and can only offset them with expense reductions if the community does not have adequate reserves.

Natick, like the other 351 cities and towns throughout Massachusetts has seen declines in state aid over the course of the last decade. Major drops have occurred during economic downturns - most noticeably in 2004 and again most recently when mid-year aid cuts forced the community to make up nearly half a million dollars in aid relied upon to provide local services. The uncertainty of state aid from year-to-year (or even within a particular fiscal year) make reliance upon it for funding the operating budget always troublesome. As the tax levy grows as a percentage of the overall revenue pie, this will mitigate some of the reliance upon state aid, but have the adverse affect of forcing even more of the burden for ongoing operations onto the local taxpayer.



**Revenues Related to Economic Growth**

**Trend Guideline:** Decreasing economic growth revenues, as a percentage of net operating revenues, is considered a warning indicator.



**Formula:**

**Economic Growth Revenues / Operating Revenues**

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (non-exempt) operating revenues	\$ 80,358,614	\$ 82,728,409	\$ 85,275,469	\$ 88,981,117	\$ 93,515,538	\$ 99,994,725	\$ 101,084,164	\$ 103,919,727	\$ 108,155,927	\$ 112,768,437
Building Related Fees & Permits	\$ 742,483	\$ 736,731	\$ 929,897	\$ 1,273,145	\$ 2,614,468	\$ 1,869,533	\$ 740,772	\$ 761,862	\$ 1,125,848	\$ 1,615,473
Motor Vehicle Excise	\$ 3,681,214	\$ 4,449,072	\$ 4,461,799	\$ 4,113,124	\$ 3,937,055	\$ 4,174,230	\$ 4,187,040	\$ 3,739,367	\$ 3,931,401	\$ 4,082,872
Levy Growth	\$ 585,454	\$ 756,915	\$ 578,202	\$ 657,677	\$ 646,694	\$ 883,280	\$ 2,395,360	\$ 2,147,515	\$ 752,536	\$ 846,384
Total Economic Growth Revenues	\$ 5,009,150	\$ 5,942,718	\$ 5,969,898	\$ 6,043,946	\$ 7,198,217	\$ 6,927,043	\$ 7,323,172	\$ 6,648,744	\$ 5,809,785	\$ 6,544,729
<b>Economic Growth Revenues as a % of Operating Revenues</b>	<b>6.23%</b>	<b>7.18%</b>	<b>7.00%</b>	<b>6.79%</b>	<b>7.70%</b>	<b>6.93%</b>	<b>7.24%</b>	<b>6.40%</b>	<b>5.37%</b>	<b>5.80%</b>

Sources: Building Related Fees & Permits, FY 2003-2012, Town of Natick, Town Reports, 2002-2011.  
Tax Recapitulation Worksheets, FY 2003-2012.

**Notes:**

Building Related Fees & Permits inclusive of all Alterations, Building, Wiring, Gas & Plumbing permits, FY 2003-2012.

**Revenues Related to Economic Growth:**

Revenues related to economic growth include construction related revenues such as permit fees and new tax levy growth resulting from new construction and certain retail related revenues such as motor vehicle excise taxes. A decrease in building permit fees may be a leading indicator of smaller future increases in the tax levy. Despite the inherent nature of this indicator to fluctuate with the economy, inflation and other influences, Natick has been fortunate to have consistently maintained approximately 7% of its operating revenues throughout the last decade as those attributable to economic growth. Also favorable is that most of this economic growth has been largely attributable to non-residential development, thus creating less demand for expanded municipal services. Fortunately, the three most recent fiscal years indicate a mixed picture - that overall revenues attributable to economic growth have decreased since 2009, but may have bottomed out in FY 2011 and begun a rebound in FY 2012. Lower revenues attributable to economic growth could foreshadow lower tax levy growth in the future fiscal years. The mixed results of the last three years are why this indicator is trending marginal.

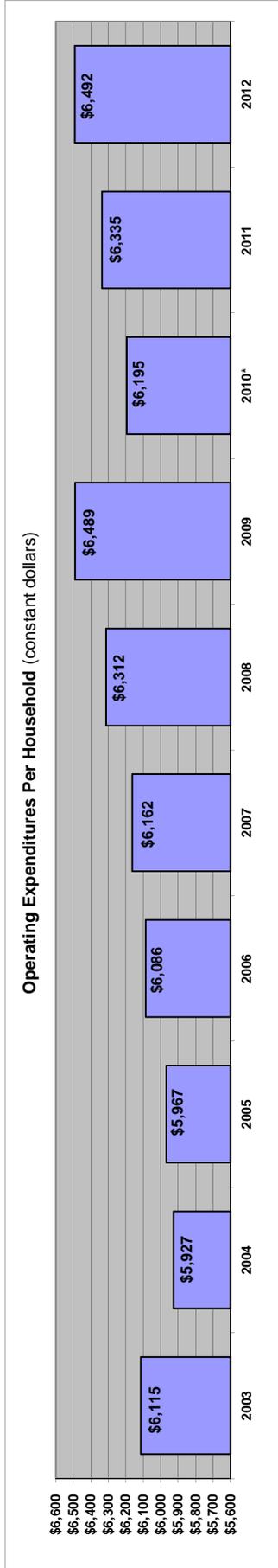
What makes this revenue trend uncertain is two-fold: 1) the large swings within categories of economic growth revenues from year-to-year are surprising even when one takes away the one-time surge in building fees and resulting in tax levy growth related to the Natick Collection development, and 2) the uncertain nature of future new or redeveloped construction projects within Natick. Positively for Natick Motor Vehicle Excise revenue has remained steady, which is unusual compared to most communities in the Commonwealth during the Great Recession.

<b>Natick Trend</b>	
favorable	
marginal	X
unfavorable	
uncertain	X



**Expenditures per Household**

Trend Guideline: Increasing net operating expenditures per household, in constant dollars, may be considered a warning indicator.



Formula:

Net Operating Expenditures and Transfers (constant dollars) / Households

Fiscal year	2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012
Education	\$ 32,306,544	\$ 33,403,060	\$ 34,253,613	\$ 35,837,412	\$ 37,412,534	\$ 40,905,762	\$ 44,067,023	\$ 42,391,575	\$ 44,664,342	\$ 46,629,721
Municipal	\$ 21,920,884	\$ 21,690,987	\$ 22,984,066	\$ 24,034,484	\$ 24,815,371	\$ 26,085,897	\$ 26,120,538	\$ 25,920,487	\$ 27,998,158	\$ 27,465,028
Shared Expenses (Benefits, Debt)	\$ 21,035,568	\$ 20,366,034	\$ 21,585,211	\$ 24,224,319	\$ 25,183,676	\$ 26,579,006	\$ 25,891,004	\$ 27,784,481	\$ 28,536,051	\$ 32,704,942
Total Operating Expenses	\$ 75,262,996	\$ 75,460,081	\$ 78,822,891	\$ 84,096,215	\$ 87,411,581	\$ 93,570,665	\$ 96,078,565	\$ 96,096,543	\$ 101,198,551	\$ 106,799,691
CPI-U, 2000 base year	192.2	198.6	205.3	213.8	218.745	227.889	227.568	233.241	239.279	244.769
CPI-U, adjustment for constant dollar	99.1%	95.9%	92.8%	89.1%	87.1%	83.6%	83.7%	81.7%	79.6%	77.8%
Operating Expenses (cons. doll.)	\$ 74,597,298	\$ 72,382,404	\$ 73,140,578	\$ 74,931,380	\$ 76,124,739	\$ 78,218,833	\$ 80,428,560	\$ 78,487,022	\$ 80,568,391	\$ 83,120,580
Households	12,200	12,213	12,258	12,313	12,354	12,393	12,394	12,670	12,718	12,804
<b>Oper. Exp. Per Household</b>	<b>\$ 6,115</b>	<b>\$ 5,927</b>	<b>\$ 5,967</b>	<b>\$ 6,086</b>	<b>\$ 6,162</b>	<b>\$ 6,312</b>	<b>\$ 6,489</b>	<b>\$ 6,195</b>	<b>\$ 6,335</b>	<b>\$ 6,492</b>

Source: Town of Natick, Town Reports, 2002-2011 & Comptroller's FY 2012 4th Qtr GF Expenditure Reports.

\*Note: FY 2010 Education spending lower than previous years in part to ARRA allocation. Costs attributed to grant funds, not tax levy.

**Expenditures per Household:**

Increasing operating expenditures per household can indicate that the cost of providing services is outstripping taxpayer's ability to pay, especially if spending is increasing faster than household income. Increasing expenditures may also indicate that the demographics of the Town are changing, requiring increased spending in related services.

This indicator tells a mixed but unfavorable message for the Town of Natick. On the one hand, revenues have kept pace with expenses (because of the need to have a balanced budget they must.) But, in recent years, recurring revenues have been supplemented with one-time revenues in order to meet expenses. On the other hand, operating expenses in constant dollars have increased per household only 6.16% since 2003, or an average of less than 1% annually.

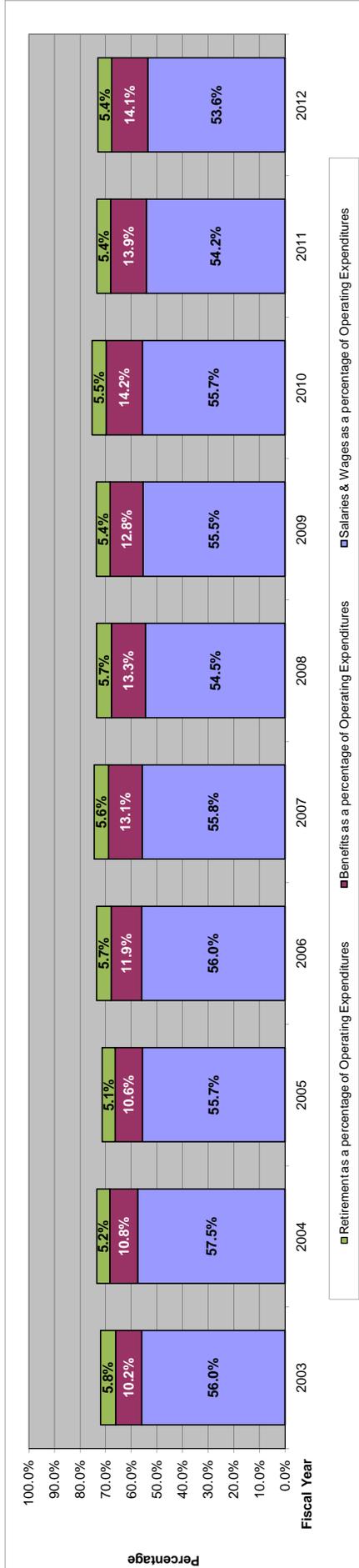
The trend within the trend worth further examining is which sections of the budget have witnessed the greatest percentage increase since 2001. As this indicator shows and Indicators I.6, I.7 and I.10 further detail, the largest increase has been within Shared Expenses and not in direct services for the community. It is important to note that FY 2012 expenditures per household (in constant dollars) are just \$3.00 more than in FY 2009.

Natick Trend	
favorable	
marginal	
unfavorable	X
uncertain	



**Personnel Costs**

Trend Guideline: Increasing personnel costs as a percentage of total spending is considered a warning factor.



**Formula:** Salaries & Wages / Operating Expenditures

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Expenditures	\$ 75,262,996	\$ 75,460,081	\$ 78,822,891	\$ 84,096,215	\$ 87,411,581	\$ 93,570,665	\$ 96,078,565	\$ 96,096,543	\$ 101,198,551	\$ 106,799,691
Municipal Wages	\$ 16,609,585	\$ 16,856,565	\$ 16,964,540	\$ 17,714,578	\$ 18,304,206	\$ 19,098,039	\$ 19,794,936	\$ 19,295,237	\$ 20,072,596	\$ 21,210,380
School Wages	\$ 25,562,431	\$ 26,562,345	\$ 26,970,396	\$ 29,411,268	\$ 30,490,144	\$ 31,911,758	\$ 33,536,531	\$ 34,229,540	\$ 34,726,652	\$ 36,030,524
Benefits	\$ 7,652,132	\$ 8,185,461	\$ 8,345,688	\$ 10,019,946	\$ 11,474,218	\$ 12,486,833	\$ 12,293,905	\$ 13,660,686	\$ 14,106,467	\$ 15,076,350
Pensions	\$ 4,371,840	\$ 3,896,861	\$ 4,024,827	\$ 4,757,724	\$ 4,931,096	\$ 5,376,574	\$ 5,154,961	\$ 5,243,247	\$ 5,475,739	\$ 5,717,032
Total Wage & Benefit Costs	\$ 54,195,988	\$ 55,501,232	\$ 56,305,451	\$ 61,903,516	\$ 65,199,663	\$ 68,873,204	\$ 70,780,333	\$ 72,428,710	\$ 74,381,454	\$ 78,034,286
Salaries & Wages as a percentage of Operating Expenditures	56.0%	57.5%	55.7%	56.0%	55.8%	54.5%	55.5%	55.7%	54.2%	53.6%
Benefits as a percentage of Operating Expenditures	10.2%	10.8%	10.6%	11.9%	13.1%	13.3%	12.8%	14.2%	13.9%	14.1%
Retirement as a percentage of Operating Expenditures	5.8%	5.2%	5.1%	5.7%	5.6%	5.7%	5.4%	5.5%	5.4%	5.4%
Total Wage & Benefit Costs as a percentage of Operating Expenditures	72.0%	73.6%	71.4%	73.6%	74.6%	73.6%	73.7%	75.4%	73.5%	73.1%

Source: Town of Natick, Town Reports, FY 2002-2010 & Comptroller's FY 2011 4th Qtr GF Expenditure Reports.

**Personnel Costs:**

Increasing salaries and wages as a percent of operating expenditures may be an indicator of two trends: 1) First, it may point to future pension and health insurance costs since both of these items are related to the number and compensation level of employees. 2) Second, if salaries and wages as a percent of operating expenditures are increasing, it may be an indicator that the Town is not adequately funding its capital needs or of deferred maintenance of the Town's infrastructure.

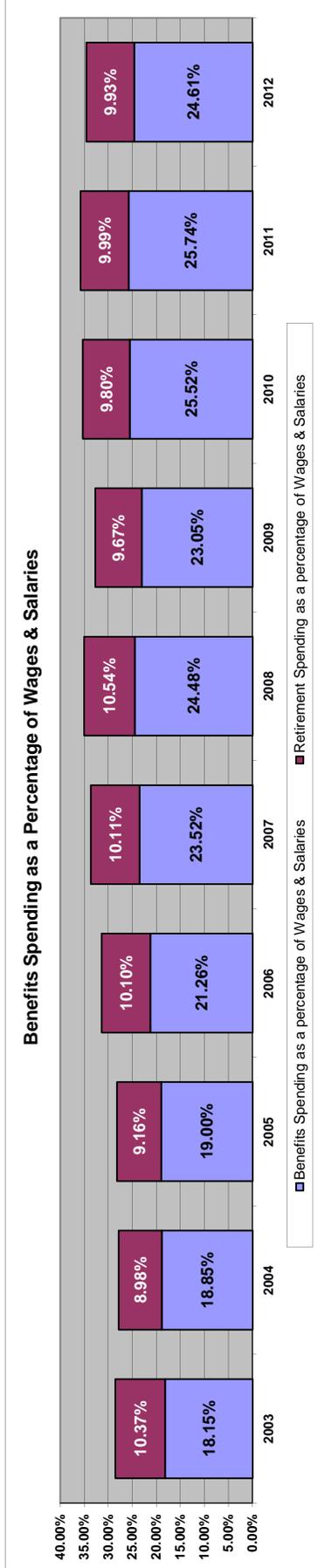
Total labor costs have increased since 2003 by 1.1%, and the rate and level of increase has remained relatively constant. This is good for the Town as such a slow rate of increase is manageable and has allowed policymakers to adjust budgeting and goal setting with a limited impact to services. The increase over that time was in the cost of benefits. The combination of health care concessions in the last and in some current labor contracts and overall slowing in health care cost increases in FY 2012 and FY 2013 has resulted in a drop in overall personnel costs over the last three fiscal years.

Natick Trend	
favorable	X
marginal	
unfavorable	
uncertain	



**Employee Benefits**

Trend Guideline: Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.



Formula:

Employee Benefits / Wages & Salaries

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Medical Benefits	\$ 7,652,132	\$ 8,185,461	\$ 8,345,688	\$ 10,019,946	\$ 11,474,218	\$ 12,486,833	\$ 12,293,905	\$ 13,660,686	\$ 14,106,467	\$ 14,128,376
Retirement Benefits	\$ 4,371,840	\$ 3,896,861	\$ 4,024,827	\$ 4,757,724	\$ 4,931,096	\$ 5,376,574	\$ 5,154,961	\$ 5,243,247	\$ 5,475,739	\$ 5,701,675
Wages & Salaries - Municipal	\$ 16,609,585	\$ 16,856,565	\$ 16,964,540	\$ 17,714,578	\$ 18,304,206	\$ 19,098,039	\$ 19,794,936	\$ 19,295,237	\$ 20,072,596	\$ 21,343,166
Wages & Salaries - Schools	\$ 25,562,431	\$ 26,562,345	\$ 26,970,396	\$ 29,411,268	\$ 30,490,144	\$ 31,911,758	\$ 33,536,531	\$ 34,229,540	\$ 34,726,652	\$ 36,057,866
Total Wages & Salaries	\$ 42,172,016	\$ 43,418,910	\$ 43,934,936	\$ 47,125,846	\$ 48,794,350	\$ 51,009,797	\$ 53,331,467	\$ 53,524,777	\$ 54,799,248	\$ 57,401,032
Benefits Spending as a percentage of Wages & Salaries	18.15%	18.85%	19.00%	21.26%	23.52%	24.48%	23.05%	25.52%	25.74%	24.61%
Retirement Spending as a percentage of Wages & Salaries	10.37%	8.98%	9.16%	10.10%	10.11%	10.54%	9.67%	9.80%	9.99%	9.93%
Total Benefits Spending as % of Wages & Salaries	28.51%	27.83%	28.16%	31.36%	33.62%	35.02%	32.72%	35.32%	35.73%	34.55%

Source: Town of Natick, Town Reports, 2002-2011 & Comptroller's FY 2012 4th Qtr GF Expenditure Reports.

**Employee Benefits:**

Fringe benefits represent a significant and increasing share of the Town's operating costs. Further, this analysis may understate certain fringe benefits such as sick leave buy-back liabilities and vacation accruals.

This indicator demonstrates one of the most alarming statistics witnessed during the last 10 years - growth in health care costs. Medical benefits (including all forms of health insurance), have increased nearly 85% in the last 10 years and its share as part of an employees' compensation package has increased by over 33% - from comprising 18.15% in 2003 to over 24.61% in 2012. The increase in health care costs means valuable available funds for other purposes are being spent to maintain an existing benefit. This directly impacts the amount of money available for service delivery and infrastructure maintenance, and is not sustainable.

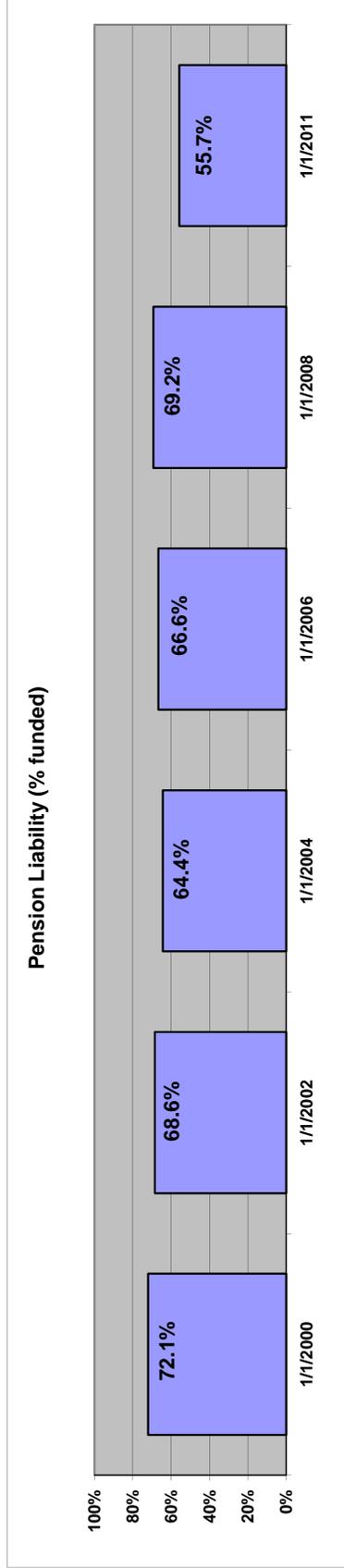
Efforts were taken for FY 2011 to slow the pace of this increase, and FY 2012 is the first year of demonstrable data that modifications to the health care provisions of labor contracts are beginning to move in a positive direction. There is too little data, however, as of FY 2012 to project a permanent improvement in this indicator.

Natick Trend	
favorable	
marginal	x
unfavorable	
uncertain	x



**Pension Liability**

**Trend Guideline:** An unfunded pension liability or increase in the unfunded liability is considered a warning indicator.



**Formula:**

Pension Assets / Pension Liability

Actuarial Date	1/1/2000	1/1/2002	1/1/2004	1/1/2006	1/1/2008	1/1/2011
Estimated Accrued Liability	\$ 89,688,360	\$ 100,572,515	\$ 109,024,236	\$ 118,903,286	\$ 131,268,314	\$ 147,904,433
Pension Assets	\$ 64,669,153	\$ 68,985,592	\$ 70,246,877	\$ 79,234,306	\$ 90,885,080	\$ 82,431,048
Pension Liability (unfunded)	\$ 25,019,207	\$ 31,586,923	\$ 38,777,359	\$ 39,668,980	\$ 40,383,234	\$ 65,473,385
<b>Percent Funded</b>	<b>72.1%</b>	<b>68.6%</b>	<b>64.4%</b>	<b>66.6%</b>	<b>69.2%</b>	<b>55.7%</b>

Source: Town of Natick Retirement System Actuarial Studies, 2000-2011.

**Pension Liability:**

The Natick Retirement System provides pension benefits for many retired employees of the Town of Natick . Established under M.G.L. Chapter 32, the Natick Retirement System is funded via an annual appropriation at Town Meeting. As of January 1, 2011, there were 1012 participants in the Natick Retirement System - 559 active, 93 inactive and 360 retired participants and beneficiaries. Town Meeting appropriates an annual contribution to the system as determined by an actuarial study.

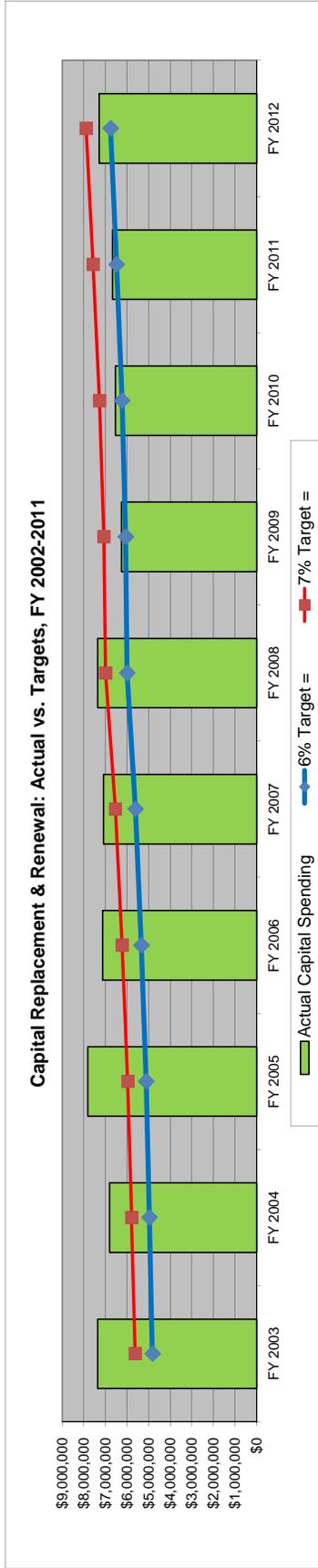
Natick's overall pension liability is an area of ongoing concern. As revenues become stagnant while the assessment for the Retirement System continues to increase in order to meet state mandated funding requirements, the impact of the retirement system upon Town operations will increase. State law mandates the pension system must be fully funded by 2040. This will require that beginning in FY 2012, more money will need to be set aside to fund the retirement assessment and less will be available for operational and capital needs. How much more is still to be determined by the Natick Retirement Board.

<i>Natick Trend</i>	
favorable	
marginal	
unfavorable	X
uncertain	



**Capital Asset & Renewal**

Trend Guideline: A three or more year decline in Capital Spending from operating funds as a percentage of gross operating revenues is considered a warning indicator



**Formula:** Actual Capital Spending (Cash + Debt) vs. 6%-7% Target

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
<b>Net Revenues</b>	\$ 80,358,614	\$ 82,728,409	\$ 85,275,469	\$ 88,981,117	\$ 93,515,538	\$ 99,994,725	\$ 101,084,164	\$ 103,919,727	\$ 108,155,927	\$ 112,768,437
Within-Levy Target (low)	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
<b>6% Target =</b>	\$4,821,517	\$4,963,705	\$5,116,528	\$5,338,867	\$5,610,932	\$5,999,683	\$6,065,050	\$6,235,184	\$6,489,356	\$6,766,106
Within-Levy Target (high)	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
<b>7% Target =</b>	\$5,625,103	\$5,790,989	\$5,969,283	\$6,228,678	\$6,546,088	\$6,999,631	\$7,075,891	\$7,274,381	\$7,570,915	\$7,893,791
<b>Actual Capital Spending</b>										
Cash	\$ 374,300	\$ 195,800	\$ 1,401,500	\$ 680,847	\$ 906,128	\$ 1,077,378	\$ 293,900	\$ 300,940	\$ 547,620	\$ 1,401,900
Within-Levy Debt Service	\$ 6,982,375	\$ 6,619,472	\$ 6,418,807	\$ 6,452,762	\$ 6,182,248	\$ 6,283,504	\$ 5,958,287	\$ 6,240,367	\$ 6,123,139	\$ 5,891,683
Total Cap. Spending As %	9.15%	8.24%	9.17%	8.02%	7.58%	7.36%	6.19%	6.29%	6.17%	6.47%
<b>Actual Capital Spending</b>	<b>\$7,356,675</b>	<b>\$6,815,272</b>	<b>\$7,820,307</b>	<b>\$7,133,609</b>	<b>\$7,088,376</b>	<b>\$7,360,882</b>	<b>\$6,252,187</b>	<b>\$6,541,307</b>	<b>\$6,670,759</b>	<b>\$7,293,583</b>

Source: Appropriations from Annual Town Meetings, Town of Natick, Town Reports 2002-2011.

**Capital Asset & Renewal:**

Companies of any size must maintain, renew and replace their infrastructure in a timely and cost effective manner. Municipalities are no different, and often have the daunting task of having to renew capital equipment and infrastructure with numerous other competing needs. Timely replacement of capital equipment and infrastructure benefits the community in the long-run as it increases efficiency and keeps maintenance costs lower while providing better facilities to the general public. A decline of spending on capital over a three-year period is considered a warning sign by industry standards.

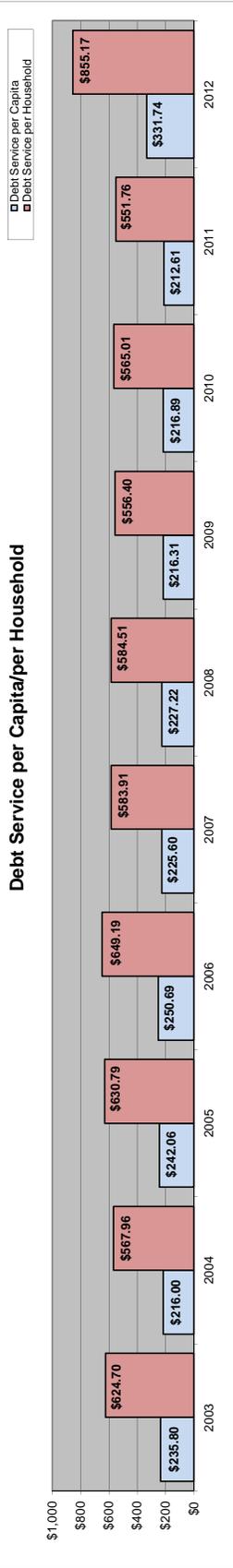
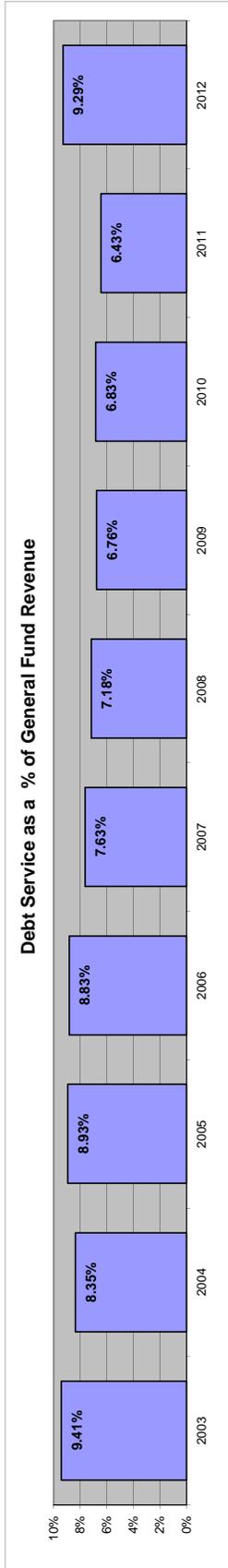
Natick, like every municipality during the Great Recession, has seen a decrease in the amount of money dedicated to Capital spending. For several years, this indicator forbode of dangers of not spending at least 8% and ideally 10% of total revenues on annual capital renewal and replacement. This, however, was a skewed target - as it included the highly specific category of excluded debt within its targets. Taking the costs attributed to excluded debt out of the equation, a new picture develops which shows the Town has spent a recommended amount of between 6-7% of net revenues annually on capital and debt service. This amount has proven sufficient to "catch-up" on deferred capital projects, and in FY 2012 that goal was achieved. A significant reason to be positive moving forward is the policy decision to dedicate Local Option Tax revenues to Capital and Debt Service costs, thus securing a permanent funding stream with which to meet this important ongoing need.

Natick Trend	
favorable	
marginal	x
unfavorable	
uncertain	



**Debt Service**

Trend Guideline: Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



**Formulas:**

General Fund Debt Service / General Fund Revenue & General Fund Debt Service / Per Capita & Household											
Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Exempt Debt Service	\$ 639,000	\$ 317,000	\$ 1,313,405	\$ 1,540,676	\$ 1,031,410	\$ 960,274	\$ 937,705	\$ 918,361	\$ 894,180	\$ 5,057,862	
Within Levy Debt Service	\$ 6,982,375	\$ 6,418,807	\$ 6,418,807	\$ 6,452,762	\$ 6,182,248	\$ 6,283,504	\$ 5,958,287	\$ 6,240,367	\$ 6,123,139	\$ 5,891,683	
<b>Total Debt Service</b>	<b>\$ 7,621,375</b>	<b>\$ 6,936,472</b>	<b>\$ 7,732,212</b>	<b>\$ 7,993,438</b>	<b>\$ 7,213,658</b>	<b>\$ 7,243,778</b>	<b>\$ 6,895,992</b>	<b>\$ 7,158,728</b>	<b>\$ 7,017,319</b>	<b>\$ 10,949,545</b>	
Gross Operating Revenue	\$ 80,997,614	\$ 83,045,409	\$ 86,588,874	\$ 90,521,793	\$ 94,546,948	\$ 100,954,999	\$ 102,021,869	\$ 104,838,088	\$ 109,050,107	\$ 117,826,299	
Population	32321	32113	31943	31886	31,975	31,880	31,880	33,006	33,006	33,006	
Households	12,200	12,213	12,258	12,313	12,354	12,393	12,394	12,670	12,718	12,804	
<b>Debt Service as a % of General Fund Revenue</b>	<b>9.41%</b>	<b>8.35%</b>	<b>8.93%</b>	<b>8.83%</b>	<b>7.63%</b>	<b>7.18%</b>	<b>6.76%</b>	<b>6.83%</b>	<b>6.43%</b>	<b>9.29%</b>	
<b>Debt Service per Capita</b>	<b>\$ 235.80</b>	<b>\$ 216.00</b>	<b>\$ 242.06</b>	<b>\$ 250.69</b>	<b>\$ 225.60</b>	<b>\$ 227.22</b>	<b>\$ 216.31</b>	<b>\$ 216.89</b>	<b>\$ 212.61</b>	<b>\$ 331.74</b>	
<b>Debt Service per Household</b>	<b>\$ 624.70</b>	<b>\$ 567.96</b>	<b>\$ 630.79</b>	<b>\$ 649.19</b>	<b>\$ 583.91</b>	<b>\$ 584.51</b>	<b>\$ 556.40</b>	<b>\$ 565.01</b>	<b>\$ 551.76</b>	<b>\$ 855.17</b>	

Source: Town of Natick, Town Reports 2002-2011, Massachusetts Dept. of Revenue DLS Gateway Reports, Town of Natick Tax Recapitulation Worksheet - LA-4 - FY 2003-2012.

**Debt Service:**

Debt is the chief financing tool utilized by municipalities to continually replace and maintain its capital infrastructure. As such, it is important to monitor how much debt the community has at any one point in time and determine what impact the amount of debt service has on the operating budget and the taxpayers. Credit rating agencies monitor the amount of debt a community has just like they monitor individual credit. A variety of factors, including the level of debt service/annual revenues and level of debt service/capita and per household are evaluated by credit rating agencies.

Positively for Natick, the community fares well on this indicator. Not only has debt service per capita remained well within recommended levels at between 6.5%-9.5% - debt service of 20% of operating revenues is considered a problem and 10% is considered acceptable - but decreased from FY 2006 through FY 2011. Future issuance of debt should be timed so as to minimize its impact upon both the operating budget. This can be achieved by timing new issuances with retirement of current debt service and following the Town Administrator's Recommended Financial Policies on issuing large debt projects (over \$1,000,000) outside of the tax levy.

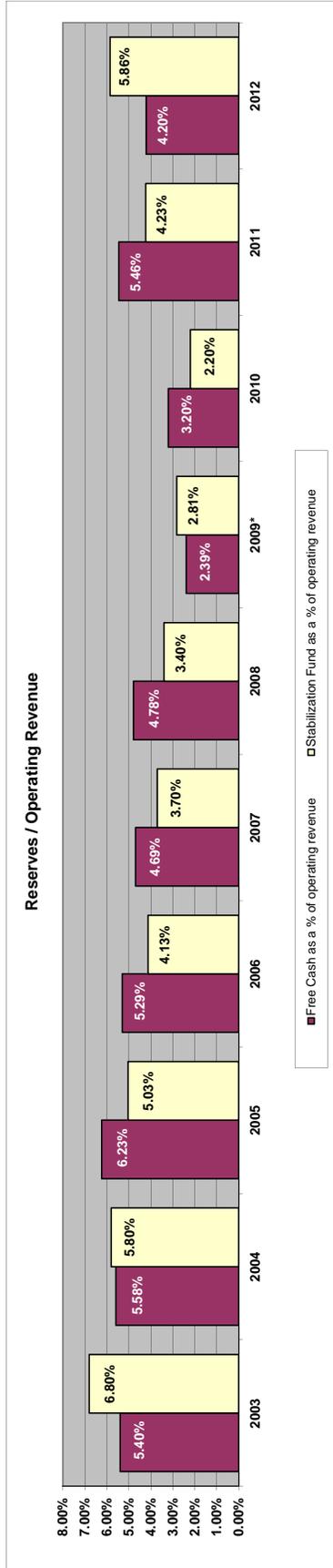
Debt per capita grew significantly beginning in FY 2012 when the majority of the debt for the new Natick High School and the new Community/Senior Center began to be serviced. This issuance was well timed in that it a) received favorable bid prices, b) lower interest rates and c) will be issued after several years of declining debt service amounts.

Natick Trend	
favorable	x
marginal	
unfavorable	
uncertain	



**Reserves & Fund Balance**

**Trend Guideline:** Declining reserves as a percentage of operating revenues is considered a warning indicator.  
**Comment:** The Government Finance Officers Association (GFOA) recommends that undesignated fund balance be 5-15 percent of operating revenues.



**Formula:**

**Type of Reserve / Operating Revenues**

Fiscal Year	2003	2004	2005	2006	2007	2008	2009*	2010	2011	2012
Certified Free Cash	\$ 4,337,157	\$ 4,620,048	\$ 5,313,708	\$ 4,709,762	\$ 4,387,917	\$ 4,784,709	\$ 2,415,060	\$ 3,327,659	\$ 5,899,906	\$ 4,737,528
Stabilization Fund	\$ 5,464,106	\$ 4,798,985	\$ 4,292,834	\$ 3,671,373	\$ 3,458,312	\$ 3,401,290	\$ 2,844,860	\$ 2,288,392	\$ 4,268,560	\$ 4,271,457
Capital Stabilization Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,913	\$ 1,478,084
Operating Stabilization Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 856,478
Net Operating Revenues	\$ 80,358,614	\$ 82,728,409	\$ 85,275,469	\$ 88,981,117	\$ 93,515,538	\$ 99,994,725	\$ 101,084,164	\$ 103,919,727	\$ 108,155,927	\$ 112,768,437
Free Cash as a % of operating revenue	5.40%	5.58%	6.23%	5.29%	4.69%	4.78%	2.39%	3.20%	5.46%	4.20%
Stabilization Fund as a % of operating	6.80%	5.80%	5.03%	4.13%	3.70%	3.40%	2.81%	2.20%	4.23%	5.86%
<b>Net Reserves as a % of Operating Revenue</b>	<b>12.20%</b>	<b>11.39%</b>	<b>11.27%</b>	<b>9.42%</b>	<b>8.39%</b>	<b>8.19%</b>	<b>5.20%</b>	<b>5.40%</b>	<b>9.69%</b>	<b>10.06%</b>

Source(s): Certified Free Cash letters from the Department of Revenue, FY 2002-2011 & Town of Natick Town Reports, 2002-2011

**Notes:**

\* Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

**Reserves & Fund Balance:**

Reserves can be used by municipalities for many different purposes. Primarily, reserves are used to buffer against the need for severe reductions in service due to economic downturns, major emergencies which the community must respond to and as a sinking fund for major capital projects. Communities which maintain a Aaa bond rating (like Natick) traditionally have strong reserve positions between 8%-15% of net operating revenues.

Among the most alarming of trends for the Town of Natick was the marked and steady decline of reserves over the last decade. Regardless of how the economy performed from FY 2003-2012, the Town's overall reserve position declined from FY 2003 to FY 2009. With a combination of adherence to the Town's Financial Management Principles and prudent use of additional resources to build reserves, the Town reversed that trend for the first time in FY 2010 and made significant strides in FY 2011 and maintained that stride in FY 2012. This is a notable accomplishment, given the overall economic condition of the region and the country.

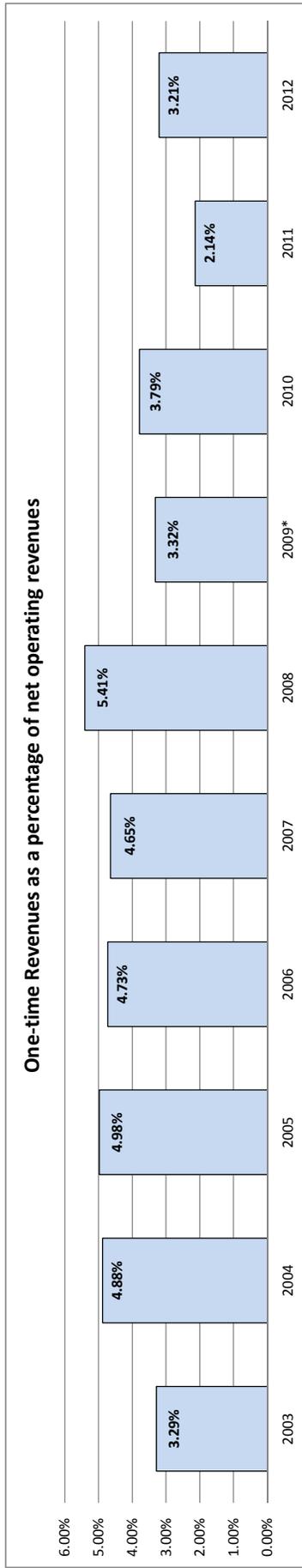
Although this increase in the Town's overall position is important, sustained progress in reversing the overall trend will be difficult. Services funded with the reliance of these reserves and one-time revenues will be difficult to maintain if the Town is to improve its reserve levels within those recommended by the Government Finance Officers Association. The recent creation of a Operational Stabilization Fund will aid in the Town's ability to maintain services when economic conditions deteriorate, but only if it can a) be adequately funded when money is available and b) policymakers resist the desire to use it other than when recommended by the Town's Financial Management Principles.

Natick Trend	
favorable	X
marginal	
unfavorable	
uncertain	X



**Use of One-Time Revenues to Support Operations**

**Trend Guideline:** Increasing use of one-time revenues as a percentage of operating revenues is considered a warning indicator.



**Formula:**

**One-time Revenues / Net Operating Revenues**

	2003	2004	2005	2006	2007	2008	2009*	2010	2011	2012
<b>One-Time Revenues</b>										
Free-Cash	\$ 1,852,644	\$ 2,290,405	\$ 2,494,794	\$ 2,857,608	\$ 3,445,080	\$ 4,035,895	\$ 2,757,971	\$ 1,990,000	\$ 2,214,303	\$ 2,616,244
Stabilization Fund	\$ 594,668	\$ 750,000	\$ 750,000	\$ 675,000	\$ 400,000	\$ 256,102	\$ 600,000	\$ 950,751	\$ 98,550	\$ -
Overlay Surplus	\$ 195,000	\$ 1,000,000	\$ 1,000,000	\$ 675,000	\$ 500,000	\$ 1,116,024	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
One-Time Revenues	\$ 2,642,312	\$ 4,040,405	\$ 4,244,794	\$ 4,207,608	\$ 4,345,080	\$ 5,408,020	\$ 3,357,971	\$ 3,940,751	\$ 2,312,853	\$ 3,616,244
Net Operating Revenues	\$ 80,358,614	\$ 82,728,409	\$ 85,275,469	\$ 88,981,117	\$ 93,515,538	\$ 99,994,725	\$ 101,084,164	\$ 103,919,727	\$ 108,155,927	\$ 112,768,437
<b>One-time Revenues as a percentage of net operating revenues</b>	<b>3.29%</b>	<b>4.88%</b>	<b>4.98%</b>	<b>4.73%</b>	<b>4.65%</b>	<b>5.41%</b>	<b>3.32%</b>	<b>3.79%</b>	<b>2.14%</b>	<b>3.21%</b>

Source: FY 2003-2012 Tax Recapitulation Forms, Page B-2 & Town of Natick Town Reports, 2002-2011.

**Notes:**

\* Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

**Use of One-Time Revenues to Support Operations:**

Municipalities in Massachusetts and throughout the United States will occasionally utilize reserves and one-time revenues to balance annual operating budgets, sustain programs in times of economic downturn, or fund a pilot program which can be further developed or cancelled in a successive year. As a general rule, however, one-time revenues should not be used to sustain ongoing operations because they exist only once and then they are depleted. Utilizing one-time revenues to fund ongoing operations puts services funded through those one-time resources at risk and is not sustainable.

The Town of Natick utilized increased amounts of one-time revenues for most of the last decade, peaking at 5.41% of all operating revenues in FY 2008. This pattern is not sustainable. Efforts have been made to reduce that reliance, and the total amount of one-time revenues utilized for recurring purposes has been substantially lower over the course of the last four fiscal years. If one-time revenues are to be used by the Town, they should whenever possible be used for one-time expenses - i.e. Capital purchases or increasing the Town's overall reserve position. It is unlikely that in the current economic climate the Town will completely eliminate the use of one-time revenues such as Free Cash, but sources such as Overlay Surplus and the Stabilization Fund should not be relied upon for future years' operations, unless carefully planned and used for limited purposes (i.e. servicing debt).

Natick Trend	
favorable	
marginal	x
unfavorable	
uncertain	



**Executive Summary - Projections**

Budget decisions that are made within a given fiscal year often have significant implications for subsequent fiscal years. The revenue and expenditure projection included within this packet is intended to facilitate discussion among community stakeholders with the hope that it will result in the identification of issues warranting further analysis as future budget cycles unfold.

**Methodology**

The table on the next page shows a projection of total general fund revenues and expenditure requirements for three years, FY 2013-FY 2015. Projections are calculated in the aggregate, using conservative assumptions, with the intention of giving an overall perspective on the Town's budget outlook. The projections are presented in sequence with the current year and three prior years for comparisons. It is important to emphasize that the projection is not a proposed or recommended budget. It is a tool for planning.

**Revenues**

Revenues are generally projected based on historical experience. On the revenue side, State Aid is projected to be level-funded in FY 2014 and FY 2015 at FY 2013 levels. This may be a bit optimistic given that state reserves have had to be drawn down in support of prior year's budgets and it is unknown what the impending cutbacks at the Federal level will have on state and municipal budgeting. Local receipts are projected to remain essentially level over the period of FY 2013 through FY 2015; in light of this year's high free cash certification, these will obviously be revisited. Free cash is forecast only to be used at a level of \$1,500,000 in FY 2014 and FY 2015 as the Town continues to move towards improved fiscal practices.

**Expenses**

In the operating budget, wage projections are complicated by the fact that collective bargaining agreements are not completely settled for FY 2013-2015 as of the production of this projection. On the whole, we have calculated a 4.5% increase in total expenses for the Natick Public Schools, a 10% increase for the Keefe Tech Assessment and a 2.5% increase in expenses for all municipal departments. These increases may not be sustainable into future years; it is incumbent on the Town and School administrations and elected officials to budget responsibly and identify areas for cost reduction and revenue enhancement to ensure Natick's sound financial future. Wages for all departments are projected increasing 2% annually in FY 2014 and 2015 respectively.

The greatest changes going forward continue to rest within the categories of Shared Expenses. A major emphasis of the FY 2011-2 budget cycles was the achievement of reducing the Town contribution to employee health care. The renewal of labor contracts continue to provide an ideal time for further review of existing benefit packages and adjustments. Administration is committed to achieving progress in this area moving forward. Not included in this forecast is a larger than anticipated increase in the pension assessment - (the new legal limit is 8% increase/year).

**Results**

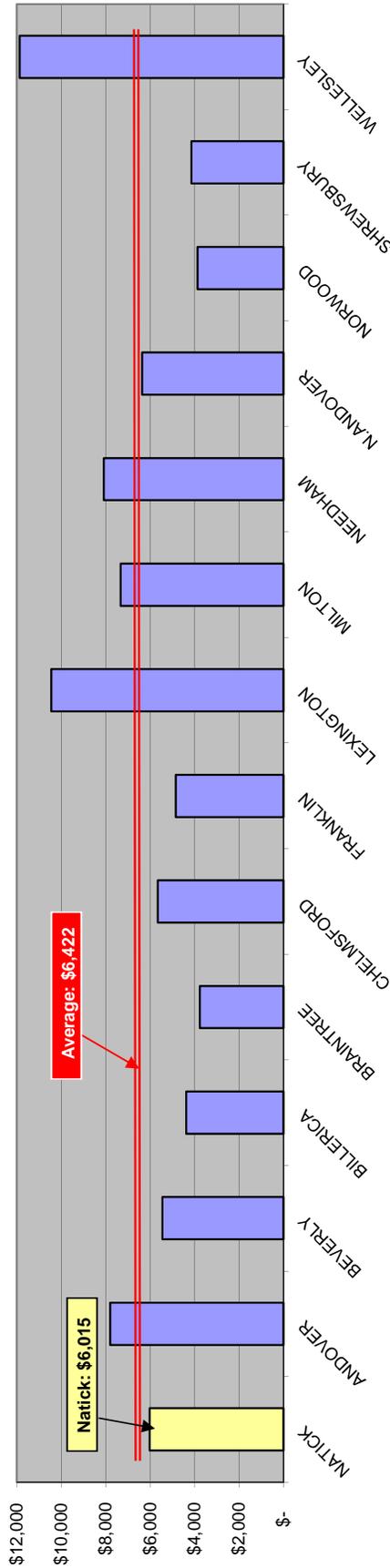
These projections - for the first time in recent memory - forecast close to balanced budgets for FY 2014 and FY 2015. But the unknown factors - revenue estimates, labor contract settlements, health care costs and most critically service restorations and enhancements in both municipal and school operations - will determine just how much Natick can accommodate and provide its citizens while living within its means. It will be crucial for Town officials to continue to work together toward a financially sustainable future for the Town of Natick.

	2012	2013	2014	2015	Comments
	Appropriated	through FATM	Projection	Projection	
<b>General Fund Revenues</b>					
1 Tax Levy	86,502,701	89,294,846	92,475,888	94,968,176	Assumes significant new growth in FY 2014
2 State Aid	11,509,427	11,657,952	11,657,952	11,657,952	Assumes level-funding at FY 2013 levels
3 Estimated Receipts	9,281,733	10,142,890	10,392,890	10,292,890	Assumes increase in Ch. 59D temporary occupancy; no other increases
4 Local Option Taxes	1,000,000	1,300,000	1,300,000	1,300,000	Used for Capital Debt Service related to Excluded Projects
5 Other Local Receipts					
6 Indirects	2,535,883	2,581,514	2,708,741	2,812,270	Dependent Upon General Fund Operating Budget
7 Free Cash	5,466,393	6,342,757	1,500,000	1,500,000	\$1.5 M Recurring F.C. assured; add'l F.C. less certain
8 Stabilization Fund	689,340	1,062,152	2,418,393	2,164,901	Funding of Cash Capital, Debt Service for HS/CSC and new Debt Service
9 Overlay Surplus	1,000,000	0	500,000	500,000	Can change based upon final settlement of outstanding ATB cases
10 Other Available Funds	281,532	460,407	460,407	460,407	Parking Meter Receipts, Other State Remb., Bond Premiums for HS/CSC
<b>Total General Fund Revenues</b>	<b>118,267,009</b>	<b>122,842,518</b>	<b>123,414,272</b>	<b>125,656,596</b>	
<b>General Fund Expenses</b>					
Education & Learning					
11 Natick Public Schools	46,406,138	46,558,714	47,722,682	48,915,749	4.5% increase on expenses; 2.0% on wages
12 Keefe Tech	1,396,865	1,271,613	1,398,774	1,538,652	10% Increase
13 Morse Institute Library	1,848,818	1,865,058	1,911,684	1,879,587	2.5% increase on expenses; 2.0% on wages
14 Bacon Free Library	118,827	130,082	133,334	136,667	2.5% increase on expenses; 2.0% on wages
15 Public Safety	13,124,052	13,590,430	13,598,236	13,938,192	2.5% increase on expenses; 2.0% on wages
16 Public Works	7,653,410	7,343,432	7,453,545	7,639,884	2.5% increase on expenses; 2.0% on wages
17 Health & Human Services	1,733,513	1,830,898	1,830,939	1,876,712	2.5% increase on expenses; 2.0% on wages
18 Administrative Support Services	4,354,576	4,890,472	4,717,466	4,835,403	2.5% increase on expenses; 2.0% on wages
19 Committees	25,510	26,010	26,010	26,010	Level-Funded
20 Shared Expenses					
21 Fringe Benefits	15,076,350	15,174,510	16,054,256	17,428,476	10% increase in health premiums; higher rates in FY 2014 & 2015
22 Prop & Lib. Insurance	520,958	553,175	580,834	609,875	Assumes higher rates in FY 2014 & 2015 (5% annually)
23 Retirement	5,717,032	6,150,200	6,642,216	7,173,593	Assumes 8% increase annually
24 Debt Services	10,989,545	10,209,521	10,694,948	11,155,015	Assumes new debt issued as per FY 2013-2017 CIP
25 Reserve Fund	400,000	400,000	400,000	400,000	Level-Funded
26 Facilities Management	0	2,449,793	2,511,038	2,573,814	2.5% increase on expenses; 2.0% on wages
<b>General Fund Oper. Expenses</b>	<b>109,365,594</b>	<b>112,443,908</b>	<b>115,675,962</b>	<b>120,127,630</b>	
Capital Improvements					
26 Capital Improvements	1,401,900	1,282,777	1,764,000	1,085,000	Capital Stab. Fund provides cash funding moving forward.
27 School Bus Transportation	330,137	340,041	350,243	360,750	3% annual increase
28 State & County Assessments	1,360,929	1,524,561	1,577,921	1,633,148	REVISED - With HMM Numbers
29 Cherry Sheet Offsets	155,298	269,005	278,420	288,165	REVISED - With HMM Numbers
30 Tax Title	25,000	25,000	25,000	25,000	
31 Snow Removal Supplement	765,163	235,418	350,000	350,000	
32 Overlay	1,133,967	1,400,000	1,100,000	1,100,000	
33 Golf Course Deficit	320,000	310,000	363,025	364,351	Includes offset for indirects starting in FY 2014
34 Stabilization Fund	0	0	0	0	
35 Operational Stabilization Fund	856,478	0	0	0	
36 Capital Stabilization Fund	1,859,511	3,275,551	0	0	Funds raised from local option taxes
37 FLSA Settlement	593,032	0	0	0	
38 Misc. Articles	100,000	436,256	0	0	
39 Anticip. Local Opt. Taxes for FY 14 CSF*	0	1,300,000	1,300,000	1,300,000	
<b>Total General Fund Expenses</b>	<b>118,267,009</b>	<b>122,842,518</b>	<b>122,784,571</b>	<b>126,634,043</b>	
<b>Net Excess / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>629,701</b>	<b>-977,447</b>	



**Appendix A: Average Tax Bill**

**Appendix A: Average Single-Family Tax Bill - FY 2012**



Municipality	Assessed Value	Parcels	Average Value	Tax Rate	Single Family Tax Bill	Split Tax Rate?
NATICK	\$ 3,665,889,700	8,478	\$ 432,400	\$ 13.91	\$ 6,015	No
ANDOVER	\$ 4,677,413,100	8,501	\$ 550,219	\$ 14.15	\$ 7,786	Yes
BEVERLY	\$ 3,518,744,100	8,397	\$ 419,051	\$ 12.97	\$ 5,435	Yes
BILLERICA	\$ 3,369,255,000	10,742	\$ 313,652	\$ 13.92	\$ 4,366	Yes
BRAINTREE	\$ 3,241,506,800	9,012	\$ 359,688	\$ 10.45	\$ 3,759	Yes
CHELMSFORD	\$ 2,914,600,475	9,017	\$ 323,234	\$ 17.49	\$ 5,653	No
FRANKLIN	\$ 2,682,632,300	7,607	\$ 352,653	\$ 13.73	\$ 4,842	No
LEXINGTON	\$ 6,251,243,000	8,963	\$ 697,450	\$ 14.97	\$ 10,441	Yes
MILTON	\$ 3,634,448,600	7,124	\$ 510,170	\$ 14.35	\$ 7,321	Yes
NEEDHAM	\$ 6,158,330,400	8,351	\$ 737,436	\$ 10.95	\$ 8,075	Yes
N.ANDOVER	\$ 2,827,604,000	6,198	\$ 456,212	\$ 13.92	\$ 6,350	Yes
NORWOOD	\$ 2,124,006,700	5,818	\$ 365,075	\$ 10.58	\$ 3,862	Yes
SHREWSBURY	\$ 3,389,541,500	9,098	\$ 372,559	\$ 11.11	\$ 4,139	No
WELLESLEY	\$ 7,523,162,000	7,282	\$ 1,033,118	\$ 11.48	\$ 11,860	No
<b>AVERAGE</b>	<b>\$ 3,998,455,548</b>	<b>8,185</b>	<b>\$ 494,494</b>	<b>\$ 13.14</b>	<b>\$ 6,422</b>	

**Average Tax Bill:**

This table shows the average single-family tax bill for comparable communities to Natick for FY 2012. Only single-family homes are shown as part of this comparison. As of FY 2012, Natick finds itself below average compared to the other 12 comparable communities in average tax bills.

Natick's average single family tax bill increased \$454 from FY 2011 to FY 2012. The sizeable increase is due in large part of the excluded debt costs of the new Community-Senior Center and Natick High School. The average single family tax bill for the comparable communities increased \$268 from FY 2011 to FY 2012.

Source: Mass. Dept. of Revenue, Div. Of Local Services.

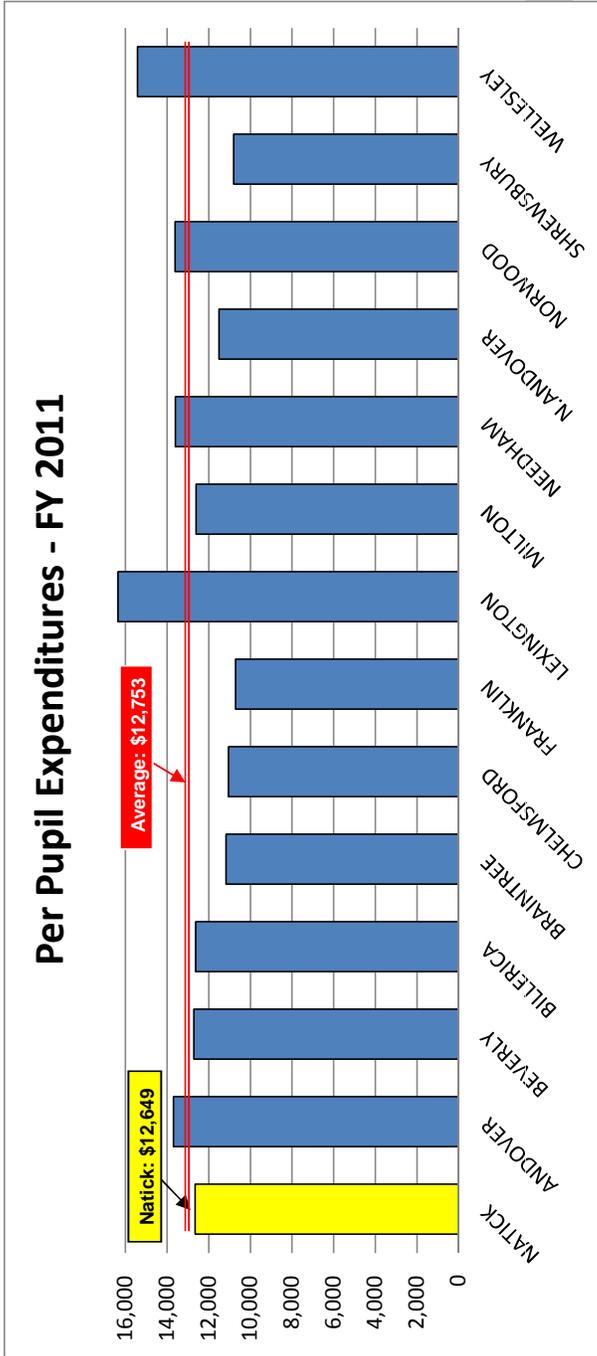


**Appendix B: Per Pupil Expenditure Comparative Data**

Per Pupil Expenditure Data:

This chart shows per pupil expenditure data for comparable communities and Natick.

Compared to the average for similar communities & school systems, Natick has less students than the average and lower average spending per pupil.



District	FY 2011	
	Total Pupils	Total Expenditure
NATICK	4,957	12,649
ANDOVER	6,356	13,697
BEVERLY	4,512	12,719
BILLERICA	6,084	12,628
BRAINTREE	5,654	11,176
CHELMSFORD	5,652	11,049
FRANKLIN	6,539	10,708

District	FY 2011	
	Total Pupils	Total Expenditure
LEXINGTON	6,420	16,358
MILTON	3,985	12,613
NEEDHAM	5,450	13,602
N.ANDOVER	4,757	11,503
NORWOOD	3,499	13,616
SHREWSBURY	6,291	10,804
WELLESLEY	4,979	15,421

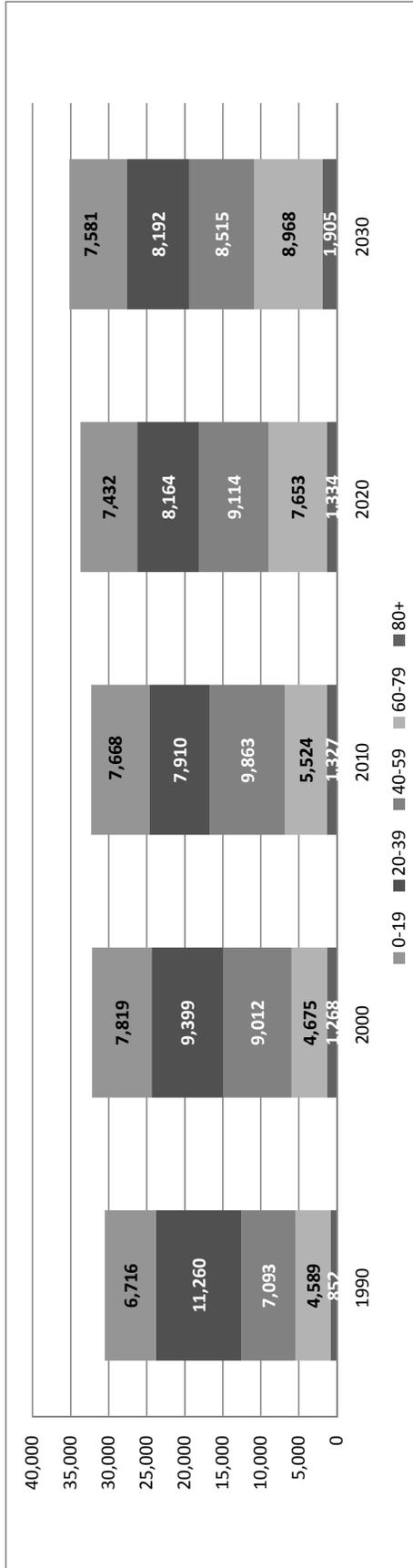
<b>Averages:</b>	
<b>Enrollment</b>	<b>5,367</b>
<b>Per Pupil Expenditure</b>	<b>\$ 12,753</b>

**Notes:** Source: <http://finance1.doe.mass.edu/statistics/ppx11.html>. Total Expenditure column includes all General Fund Appropriations & Grants, Revolving and Other funds. Data shown is most recent available from the Mass. Department of Education.



Appendix C: Population Projections

**Population Projections: 1990-2035, Town of Natick**



Age	1990	2000	2010	2020	2030	2035	Percent Change 2010 to 2035
0-19	6,716	7,819	7,668	7,432	7,581	7,737	0.90%
20-39	11,260	9,399	7,910	8,164	8,192	8,168	3.26%
40-59	7,093	9,012	9,863	9,114	8,515	8,388	-14.96%
60-79	4,589	4,675	5,524	7,653	8,968	9,571	73.27%
80+	852	1,268	1,327	1,334	1,905	2,200	65.73%
<b>Total</b>	<b>30,510</b>	<b>32,173</b>	<b>32,292</b>	<b>33,698</b>	<b>35,161</b>	<b>36,063</b>	<b>11.68%</b>

Source: Metropolitan Area Planning Commission, Population Projections: [http://www.mapc.org/sites/default/files/MAPC\\_MetroFutureUpdate2035\\_FINAL\\_3\\_10\\_2011.xls](http://www.mapc.org/sites/default/files/MAPC_MetroFutureUpdate2035_FINAL_3_10_2011.xls).

**Population:**

Population data and trends are extremely important to review and understand for the future allocation of resources and to understand significant shifts in the community. With data provided by the Metropolitan Area Planning Commission, Natick is expected to grow in population on average about 1400 people per decade over the course of the next 25 years. These latest estimates take into account but do not completely reflect the 2010 Decennial Census.

The three interesting points to take away from this projection are: 1) Population will rise but in a very small, steady and predictable amount, thus allowing policymakers, appointed officials and taxpayers to carefully plan for future needs. 2) School age population - the 0-19 cohort is set to change very, very little in the next 20 years. This is important to correlate with estimates from the Natick Public Schools and should allow for planning of future needs for the children of Natick. 3) The growth in population is set to occur in the 60+ cohorts, with a large spike of over 4,900 individuals aged over 60 living in Natick by 2035 than do today.

It is also important to note that these population projections are one method of calculating. The Natick Public Schools also has its own internal forecasting, and as has been shown with growth in the district this Fiscal Year, trends are defiantly NOT trending downward for the 0-19 cohort in Natick, at least not today.



**Appendix D: Other Post Employment Benefits**

**Other Post Employment Benefits (OPEB):**

GASB-45 requires that public entities begin accruing the expected future costs of OPEB (medical and life insurance) over the expected future employment period of employees, much like they do now for pension benefits.

At this point in time, GASB 45 is a requirement for *reporting*, but not for *funding*. No legal mandate from the state or federal government, akin to M.G.L. Ch. 32 requiring annual contributions to the Natick Retirement System, has been put in place or even filed in the legislature.

After conducting the actuarial, USI has determined that our total unfunded actuarial accrued liability is \$119,187,237. As a result, the Town's annual audits going forward will show a significant and growing liability, unless the Town chooses to begin setting aside funds in a restricted trust in order to put towards mitigating the liability. The 2011 Fall Annual Town allowing the Board of Selectmen Meeting

to create the trust and \$221,608 was appropriated into it by the 2012 Spring Annual Town Meeting. Some communities have chosen to begin setting aside funds towards the unfunded liability without additional legal mandate or guidance from state or federal legislators. They have taken advantage of a variety of funding sources, including but not limited to redirecting Medicare Part D monies (if they receive them), appropriating additional tax levy support to a trust designed to reduce the overall liability, or using decreases in the pension assessments, if they arise.

An updated actuarial will be conducted during FY 2013.

**OPEB Liability Growth as a result of GASB 45**

**FY 2011**

For FY 2011, the actuarial study has estimated that our total cost is:  
*(this is a cumulation of both the normal cost of care plus the amount we need to pay to "catch-up" to make sure the liability is paid down in 30 years)*

Less our current contributions: \$ 27,007,851  
Total FY 2011 Year-end Outstanding Liability for OPEB: \$ (3,704,594)  
\$ 23,303,257

**FY 2012**

Beginning Outstanding Liability (from FY 2011): \$ 23,303,257  
FY 2012 estimated total cost: \$ 11,552,723  
Less our current contributions: \$ (3,808,433)  
Total FY 2012 Year-end Outstanding Liability for OPEB: \$ 31,047,547

and so on...

Source: A Postretirement Welfare Benefit GASB 45 Actuarial Valuation As of July 1, 2010 for: The Town of Natick. The USI Consulting Group. June 8, 2011.



**Appendix E: FY 2014 Budget Schedule & Process**

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
<b>External</b>												
<b>Votes</b>												
<b>Town Meeting</b>				Town Meeting						X	Town Meeting	
<b>BOS</b>								Selectmen Review of Budget				
<b>SC</b>								Hearing on Budget				
<b>FinComm</b>								FinComm Hearings on Budget & Warrant				
<b>Internal</b>												
<b>Municipal</b>		Capital Develop.		Operating Budget Development & Refinement								
<b>School</b>		Capital Develop.		Operating Budget Development & Refinement								

2012 2013

**Significant Dates**

<b>August 2012</b> Capital Update Submitted	<b>September 2012</b> Capital Update Submitted	<b>September 1st</b>	<b>October 2012</b> Operating Budget Development (Internal Schools & Municipal) 2012 Fall Town Meeting	<b>October</b> Late October Begins October 16th	<b>November 2012</b> Operating Budget Development (Internal Schools & Municipal) BOS - Review of Budget Goals & Objectives	<b>November</b> All November November Meetings	<b>December 2012</b> Operating Budget Refinement (Internal Schools & Municipal) BOS - Review of Budget Goals & Objectives SC - Superintendent's Presentation of School Budget	<b>December</b> All December December Meetings Early December	<b>January 2013</b> Submittal of FY 2013 Administrator's Proposed Budget to BOS & FC Finance Committee Public Hearings on Budget BOS - Review of Budget	<b>January 1st</b> All January
									<b>February 2013</b> BOS - Review of Budget SC - Public Hearings on Budget Finance Committee Public Hearings on Budget	February February All February
									<b>March 2013</b> Finance Committee Public Hearings on Budget	to April 1
									<b>April - May 2013</b> Preparation of Materials for Town Meeting Municipal Election Town Meeting	April 1-10 April 9th late April-May
									<b>July 2013</b> Start of FY 2014	July 1

Note: All times & deadlines subject to change and revision.



**Appendix F: Notes & Assumptions**

**Notes:**

Actual Data - Data presented as actual for FY 2003-2011 is taken from final G/L accounting reconciliations prepared by the Town Comptroller. FY 2012 is taken from the accounting system but has not been finalized and has not been audited as of the printing of this document. Figures may change slightly.

Constant Dollars - Or "dollars adjusted for inflation" utilizes data from the U.S. Department of Labor, Bureau of Labor Statistics for the Boston-Brockton-Nashua Metropolitan Statistical Area. CPI-U data used is for the mid-year analysis, CY 2003-2012. This corresponds to the end of the Town's fiscal year. CPI-U assumes that the period of time 1982-1984 = 100.

Comparable Communities - Communities were chosen based upon similar population size, and demographic characteristics' such as equalized value/capita and household income.

Households - The number of households for the Town of Natick was determined using the Tax Recapitulation Worksheets, Worksheet LA-4, and counting all residential properties by property type (single-family - Code 101, double-family or duplex - Code 104, triplex, Code 105, etc.) and updating on an annual basis. An assumption was made for the amount of dwelling units in condominium developments.

Population - Population data used in the indicators is provided from the Department of Revenue. Projections provided in the Appendices provided from the MAPC. Both sets of figures use the 2010 U.S. Census Bureau statistics as a base and then annual or future decennial result are extrapolated from that amount.



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - Capital Improvement Budget

Department	Project Title	2013			Funding Source		
		Spring Town Meeting	Fall Town Meeting	Equipment Improvement	Cash	Debt	
<b>General Fund</b>							
<b>Natick Public Schools</b>							
NATICK PUBLIC SCHOOLS	KENNEDY-INSTALL 6 MODULAR CLASSROOMS (funded @ 2012 \$	600000		600000			600000
NATICK PUBLIC SCHOOLS	KENNEDY - REPLACE ELECTRICAL SERVICE	150000			150000		150000
NATICK PUBLIC SCHOOLS	LILJA- REPLACE DOMESTIC HOT WATER HEATER	30000			30000		30000
NATICK PUBLIC SCHOOLS	BROWN-REPLACE DOMESTIC HOT WATER HEATER	30000			30000		30000
NATICK PUBLIC SCHOOLS	LILJA-REPLACE EXHAUST FANS	30000			30000		30000
NATICK PUBLIC SCHOOLS	BEN-HEM-REPLACE OFFICE CARPET	22000			22000		22000
<b>Total</b>		<b>1162000</b>	<b>0</b>	<b>600000</b>	<b>0</b>	<b>262000</b>	<b>112000</b>
<b>Morse Institute Library</b>							
MORSE INSTITUTE LIBRARY	FURNITURE REPLACEMENT	24000	24000				24000
<b>Total Morse</b>		<b>24000</b>	<b>24000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24000</b>
<b>Police Department</b>							
POLICE DEPARTMENT	CRUISER REPLACEMENT	183900	73560		110340		183900
POLICE DEPARTMENT	BUILDING SECURITY/MONITORING CAMERAS	85000		85000			85000
POLICE DEPARTMENT	REPLACEMENT OF ANIMAL CONTROL VEHICLE	48877	48877				48877
POLICE DEPARTMENT	FIREARMS TRAINING SIMULATOR	36000		36000			36000
POLICE DEPARTMENT	POLICE FLOORING	20000		20000			20000
POLICE DEPARTMENT	FITNESS EQUIPMENT UPGRADE	15000	15000				15000
POLICE DEPARTMENT	PORTABLE RADIO REPLACEMENT	14500	14500				14500
POLICE DEPARTMENT	REPLACE DISPATCH CENTER GLASS	12500		12500			12500
POLICE DEPARTMENT	INTERVIEW ROOMS RECORDING EQUIPMENT	12000	12000				12000
POLICE DEPARTMENT	PUBLIC SAFETY RADIO SYSTEM NARROWBANDING MANDATE	10000			10000		10000
<b>Total Police</b>		<b>437777</b>	<b>163937</b>	<b>153500</b>	<b>120340</b>	<b>0</b>	<b>352777</b>
<b>Fire Department</b>							
FIRE DEPARTMENT	TURN OUT GEAR/ FIREFIGHTER PROTECTIVE CLOTHING	60000			60000		60000
FIRE DEPARTMENT	REPLACE ZETRON PUBLIC ADDRESS SYSTEM	42000	42000				42000
<b>Total Fire</b>		<b>102000</b>	<b>42000</b>	<b>0</b>	<b>60000</b>	<b>0</b>	<b>102000</b>
<b>Public Works Building Maintenance</b>							
PUBLIC BUILDING MAINTENANCE	REPLACE B-1 (VEHICLE)	26000			26000		26000
<b>Total DPW Building Maintenance</b>		<b>26000</b>	<b>0</b>	<b>0</b>	<b>26000</b>	<b>0</b>	<b>26000</b>
<b>Public Works Engineering</b>							
PUBLIC WORKS ENGINEERING	ROADS (COLLECTOR/ARTERIAL)	300000		300000			300000
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS COTTAGE STREET	250000			250000		250000
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS PINE STREET	250000			250000		250000
<b>Total DPW Engineering</b>		<b>800000</b>	<b>0</b>	<b>300000</b>	<b>0</b>	<b>500000</b>	<b>500000</b>
<b>Public Works Equipment Maintenance</b>							
PUBLIC WORKS EQUIPMENT MAINT	FUEL DEPOT UPGRADES	25000		25000			25000
<b>Total DPW Equipment Maintenance</b>		<b>25000</b>	<b>0</b>	<b>25000</b>	<b>0</b>	<b>0</b>	<b>25000</b>



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - Capital Improvement Budget

Department	Project Title	2013			Fall Town Meeting	Funding Source
		Spring Town Meeting				
<b>Public Works Highway</b>						
PUBLIC WORKS HIGHWAY	RECYCLING PACKERS (3 @ \$300,000 each)	900000	900000	900000		900000
PUBLIC WORKS HIGHWAY	SNOW MELTER	232000	232000			232000
PUBLIC WORKS HIGHWAY	REPLACE H-55 (FRONT-END LOADER)	170000	170000			170000
PUBLIC WORKS HIGHWAY	REPLACE H-42 (DUMP TRUCK/SANDER/PLOW)	110000	110000			110000
PUBLIC WORKS HIGHWAY	REPLACE DUMPSTERS	10000	10000	10000		10000
PUBLIC WORKS HIGHWAY	GUARDRAIL (VARIOUS LOCATIONS)	10000	10000	10000		10000
<b>Total DPW Highway</b>		<b>1432000</b>	<b>512000</b>	<b>920000</b>	<b>0</b>	<b>20000</b>
<b>Public Works Land, Facilities and Natural Resources</b>						
PUBLIC WORKS LND FAC/NAT RES	REPLACE LOG LOADER ON LF-8	62000	62000			62000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-3 (DUMP TRUCK W/PLOW)	62000	62000			62000
PUBLIC WORKS LND FAC/NAT RES	SOIL CONDITIONING - DEEP TINE	27000		27000		27000
PUBLIC WORKS LND FAC/NAT RES	DAILY MAINTENANCE EQUIPMENT	14000		14000		14000
<b>Total DPW Land, Facilities &amp; Natural Resources</b>		<b>165000</b>	<b>124000</b>	<b>41000</b>	<b>0</b>	<b>41000</b>
<b>Community Services</b>						
PARKS & RECREATION	COLE NORTH FIELD RENOVATIONS	0			0	0
PARKS & RECREATION	REPLACE R-1 (VEHICLE)	35000	35000			35000
PARKS & RECREATION	DUG POND PERIMETER FENCE WORK	20000	20000			20000
PARKS & RECREATION	HISTORICAL MONUMENT RESTORATION	15000		15000		15000
PARKS & RECREATION	COOLIDGE BASKETBALL COURT	10000	10000			10000
PARKS & RECREATION	MURPHY FIELD IMPROVEMENTS (parking lot & fencing)	10000	10000			10000
PARKS & RECREATION	COMMUNITY SENIOR CENTER GYM FLOOR COVER	10000		10000		10000
<b>Total Community Services</b>		<b>100000</b>	<b>35000</b>	<b>40000</b>	<b>15000</b>	<b>100000</b>
<b>Town Clerk</b>						
TOWN CLERK	PRESERVATION OF HISTORICAL RECORDS	100000		100000		100000
<b>Total Town Clerk</b>		<b>100000</b>	<b>0</b>	<b>0</b>	<b>100000</b>	<b>100000</b>
<b>Community Development</b>						
COMMUNITY DEVELOPMENT	CONCEPTUAL DESIGN WORK - NATICK CENTER MBTA STATION	80000			80000	80000
<b>Total Community Development</b>		<b>80000</b>	<b>0</b>	<b>0</b>	<b>80000</b>	<b>80000</b>
<b>Total General Fund</b>		<b>4453777</b>	<b>900937</b>	<b>1118500</b>	<b>1177340</b>	<b>957000</b>
<b>Funding Analysis</b>						
General Fund Borrowing					\$	2,871,000
Free Cash					\$	150,000
Receipts Reserved					\$	150,000
Insurance Proceeds in Excess of \$20,000					\$	28,875
Capital Stabilization Fund					\$	369,562
- Capital S.F. Requested at Spring 2012 ATM					\$	584,340
- Capital S.F. Requested at Fall 2012 ATM					\$	4,153,777
<b>Total General Fund Capital FY 2013</b>					\$	4,153,777



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - Capital Improvement Budget

Department	2013	Spring Town Meeting	Fall Town Meeting	Funding Source

Enterprise Funds				
Water/Sewer Enterprise Fund				
UPGRADE FORCE MAIN BRADFORD / PAMELA	2100000	2100000		450000
REPLACE GROUND WATER WELLS	300000	300000		300000
H & T FILTER MODIFICATION	200000	200000		200000
REPLACE W-22 (DUMP TRUCK)	180000	180000		180000
MWRA SEWER MAIN RELINING (5-year)	357900	357900		0
PINE OAKS WELLS REPLACE MCC	150000	150000		150000
REPLACE W-14 (BACKHOE)	135000	135000		135000
SPRINGVALE FLUORIDE UPGRADE	100000	100000		100000
SEWER MAIN ON COTTAGE & ROCKLAND STREET	75000	75000		75000
REPLACE W-25 (TRUCK)	46000	46000		46000
REPLACE PUMP 4M SEWER STATION	35000	35000		35000
<b>Total Water/Sewer Enterprise Fund</b>	<b>3678900</b>	<b>496000</b>	<b>3182900</b>	<b>1171000</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2507900</b>

Funding Analysis	
Water/Sewer Debt	\$ 2,507,900
Retained Earnings	\$ 1,171,000
<b>Total Water/Sewer Capital FY 2013</b>	<b>\$ 3,678,900</b>

Sassamon Trace Enterprise Fund				
SASSAMON TRACE GOLF COURSE	117000	117000	0	0
REPLACEMENT OF GOLF CARTS	0	0	0	0
<b>Total Sassamon Trace Enterprise Fund</b>	<b>117000</b>	<b>117000</b>	<b>0</b>	<b>0</b>

Funding Analysis	
Sassamon Trace Golf Course Enterprise Borrowing	\$ 117,000
<b>Total Sassamon Trace Capital FY 2013</b>	<b>\$ 117,000</b>



# Town of Natick

FY 2013-2017 Capital Plan Summary

2013 Appropriated Budget - Priority Area Descriptions & Operating Budget Impacts

Funded @ 2012 SATM -

Department	Project Title	Cost	Priority Area	Operating Budget Impact
<b>General Fund</b>				
<b>Natick Public Schools</b>				
NATICK PUBLIC SCHOOLS	KENNEDY-INSTALL 6 MODULAR CLASSROOMS (funded @ 2012 SATM)	600000	D: Improvement of infrastructure	Nominal Increase - Small increases in electricity to illuminate, power and heat rooms
NATICK PUBLIC SCHOOLS	KENNEDY - REPLACE ELECTRICAL SERVICE	150000	B: Timely asset replacement to avoid future costs	Nominal Reduction - Will save potential cost of repairs and potentially be more energy efficient
NATICK PUBLIC SCHOOLS	LILJA- REPLACE DOMESTIC HOT WATER HEATER	30000	D: Improvement of infrastructure	Savings - Will save cost of repairs to original boiler and will be more energy efficient
NATICK PUBLIC SCHOOLS	BROWN-REPLACE DOMESTIC HOT WATER HEATER	30000	D: Improvement of infrastructure	Savings - Will save cost of repairs to original boiler and will be more energy efficient
NATICK PUBLIC SCHOOLS	LILJA-REPLACE EXHAUST FANS	30000	B: Timely asset replacement to avoid future costs	Nominal Reduction - Will save potential cost of repairs and potentially be more energy efficient
NATICK PUBLIC SCHOOLS	BEN-HEM-REPLACE OFFICE CARPET	22000	B: Timely asset replacement to avoid future costs	No impact on operating budget
<b>Total</b>		<b>862000</b>		
<b>Morse Institute Library</b>				
MORSE INSTITUTE LIBRARY	FURNITURE REPLACEMENT	24000	E: Improvement of productivity /efficiency	No impact on operating budget
<b>Total Morse</b>		<b>24000</b>		
<b>Police Department</b>				
POLICE DEPARTMENT	CRUISER REPLACEMENT	183900	A: Imminent threat to safety of citizens/property	No impact on operating budget beyond already budgeted maintenance costs
POLICE DEPARTMENT	BUILDING SECURITY/MONITORING CAMERAS	85000	A: Imminent threat to safety of citizens/property	Approx. \$250/yr. for maintenance once annual warranty expires
POLICE DEPARTMENT	REPLACEMENT OF ANIMAL CONTROL VEHICLE	48877	A: Imminent threat to safety of citizens/property	No impact on operating budget beyond already budgeted maintenance costs
POLICE DEPARTMENT	FIREARMS TRAINING SIMULATOR	36000	E: Improvement of productivity /efficiency	Approx. \$1,000/yr. for maintenance
POLICE DEPARTMENT	POLICE FLOORING	20000	E: Improvement of productivity /efficiency	No impact on operating budget
POLICE DEPARTMENT	FITNESS EQUIPMENT UPGRADE	15000	E: Improvement of productivity /efficiency	Approx. \$500/yr. for maintenance, cleaning & upkeep
POLICE DEPARTMENT	PORTABLE RADIO REPLACEMENT	14500	C: Requirements of state/federal law or regulation	No impact on operating budget beyond already budgeted maintenance costs
POLICE DEPARTMENT	REPLACE DISPATCH CENTER GLASS	12500	A: Imminent threat to safety of citizens/property	No impact on operating budget
POLICE DEPARTMENT	INTERVIEW ROOMS RECORDING EQUIPMENT	12000	E: Improvement of productivity /efficiency	Approx. \$200/yr. for maintenance
POLICE DEPARTMENT	PUBLIC SAFETY RADIO SYSTEM NARROWBANDING MANDATE	10000	C: Requirements of state/federal law or regulation	No impact on operating budget beyond already budgeted maintenance costs
<b>Total Police</b>		<b>437777</b>		

Department	Project Title	Cost	Priority Area	Operating Budget Impact
<b>Fire Department</b>				
FIRE DEPARTMENT	TURN OUT GEAR/ FIREFIGHTER PROTECTIVE CLOTHING	60000	A: Imminent threat to safety of citizens/property	No impact on operating budget
FIRE DEPARTMENT	REPLACE ZETRON PUBLIC ADDRESS SYSTEM (funded @ 2012 SATM)	42000	E: Improvement of productivity/efficiency	Nominal Reduction - Will save potential cost of repairs
<b>Total Fire</b>		<b>102000</b>		
<b>Public Works Building Maintenance</b>				
PUBLIC BUILDING MAINTENANCE	REPLACE B-1 (VEHICLE)	26000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
<b>Total DPW Building Maintenance</b>		<b>26000</b>		
<b>Public Works Engineering</b>				
PUBLIC WORKS ENGINEERING	ROADS (COLLECTOR/ARTERIAL)	300000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS COTTAGE STREET	250000	B: Timely asset replacement to avoid future costs	No impact on operating budget
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS PINE STREET	250000	B: Timely asset replacement to avoid future costs	No impact on operating budget
<b>Total DPW Engineering</b>		<b>800000</b>		
<b>Public Works Equipment Maintenance</b>				
PUBLIC WORKS EQUIPMENT MAINT	FUEL DEPOT UPGRADES	25000	E: Improvement of productivity/efficiency	No impact on operating budget
<b>Total DPW Equipment Maintenance</b>		<b>25000</b>		
<b>Public Works Highway</b>				
PUBLIC WORKS HIGHWAY	RECYCLING PACKERS (3 @ \$300,000 each)	900000	E: Improvement of productivity/efficiency	Savings - After careful staff analysis, bringing recycling operations in-house could save at minimum \$65,000 annually, increase service to citizens and increase revenue
PUBLIC WORKS HIGHWAY	SNOW MELTER	232000	E: Improvement of productivity/efficiency	Savings - Dependent upon number of snow events, melting of snow in key locations will reduce number of private crews necessary to plow and transport snow away from Natick
PUBLIC WORKS HIGHWAY	REPLACE H-55 (FRONT-END LOADER)	170000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PUBLIC WORKS HIGHWAY	REPLACE H-42 (DUMP TRUCK/SANDER/PLOW)	110000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PUBLIC WORKS HIGHWAY	REPLACE DUMPSTERS	10000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PUBLIC WORKS HIGHWAY	GUARDRAIL (VARIOUS LOCATIONS)	10000	A: Imminent threat to safety of citizens/property	No impact on operating budget beyond already budgeted maintenance costs
<b>Total DPW Highway</b>		<b>1432000</b>		
<b>Public Works Land, Facilities and Natural Resources</b>				
PUBLIC WORKS LND FAC/NAT RES	REPLACE LOG LOADER ON LF-8	62000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs



**Town of Natick**  
 FY 2013-2017 Capital Plan Summary  
 2013 Appropriated Budget - Priority Area Descriptions & Operating Budget Impacts

Funded @ 2012 SATM -

Department	Project Title	Cost	Priority Area	Operating Budget Impact
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-3 (DUMP TRUCK W/PLOW)	62000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PUBLIC WORKS LND FAC/NAT RES	SOIL CONDITIONING - DEEP TINE	27000	E: Improvement of productivity/efficiency	Nominal Reduction - Reduced maintenance costs
PUBLIC WORKS LND FAC/NAT RES	DAILY MAINTENANCE EQUIPMENT	14000	E: Improvement of productivity/efficiency	Nominal Reduction - Reduced maintenance costs
<b>Total DPW Land, Facilities &amp; Natural Resources</b>		<b>165000</b>		

Community Services				
PARKS & RECREATION	REPLACE R-1 (VEHICLE)	35000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
PARKS & RECREATION	DUG POND PERIMETER FENCE WORK	20000	B: Timely asset replacement to avoid future costs	Nominal Reduction - Approx. \$500/yr. savings due to reduced maintenance
PARKS & RECREATION	HISTORICAL MONUMENT RESTORATION	15000	D: Improvement of infrastructure	Nominal Reduction - Reduced maintenance costs
PARKS & RECREATION	COOLIDGE BASKETBALL COURT	10000	B: Timely asset replacement to avoid future costs	Nominal Reduction - Reduced maintenance costs
PARKS & RECREATION	MURPHY FIELD IMPROVEMENTS (parking lot & fencing)	10000	D: Improvement of infrastructure	Nominal Reduction - Reduced maintenance costs
PARKS & RECREATION	COMMUNITY SENIOR CENTER GYM FLOOR COVER	10000	D: Improvement of infrastructure	Nominal Reduction - Reduced maintenance costs
<b>Total Community Services</b>		<b>100000</b>		

Town Clerk				
TOWN CLERK	PRESERVATION OF HISTORICAL RECORDS	100000	C: Requirements of state/federal law or regulation	No impact on operating budget
<b>Total Town Clerk</b>		<b>100000</b>		

Community Development				
COMMUNITY DEVELOPMENT	CONCEPTUAL DESIGN WORK - NATICK CENTER MBTA STATION	80000	D: Improvement of infrastructure	No impact on operating budget; property not owned by Town
<b>Total Community Development</b>		<b>80000</b>		

**Total General Fund 4153777**

Enterprise Funds				
Water/Sewer Enterprise Fund				
WATER SEWER ENTERPRISE	UPGRADE FORCE MAIN BRADFORD / PAMELA	2100000	D: Improvement of infrastructure	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	REPLACE GROUND WATER WELLS	300000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	H & T FILTER MODIFICATION	200000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	REPLACE W-22 (DUMP TRUCK)	180000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs



# Town of Natick

FY 2013-2017 Capital Plan Summary

2013 Appropriated Budget - Priority Area Descriptions & Operating Budget Impacts

Funded @ 2012 SATM -

Department	Project Title	Cost	Priority Area	Operating Budget Impact
WATER SEWER ENTERPRISE	MWRA SEWER MAIN RELINING (5-year)	357900	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	PINE OAKS WELLS REPLACE MCC	150000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	REPLACE W-14 (BACKHOE)	135000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	SPRINGVALE FLUORIDE UPGRADE	100000	D: Improvement of infrastructure	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	SEWER MAIN ON COTTAGE & ROCKLAND STREET	75000	D: Improvement of infrastructure	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	REPLACE W-25 (TRUCK)	46000	B: Timely asset replacement to avoid future costs	No impact on operating budget beyond already budgeted maintenance costs
WATER SEWER ENTERPRISE	REPLACE PUMP 4M SEWER STATION	35000	D: Improvement of infrastructure	No impact on operating budget beyond already budgeted maintenance costs
<b>Total Water/Sewer Enterprise Fund</b>		<b>3678900</b>		

<b>Sassamon Trace Enterprise Fund</b>				
SASSAMON TRACE GOLF COURSE	REPLACEMENT OF GOLF CARTS	117000	B: Timely asset replacement to avoid future costs	Nominal Reduction - Reduced maintenance costs
<b>Total Sassamon Trace Enterprise Fund</b>		<b>117000</b>		



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
<b>General Fund</b>							
<b>Natick Public Schools</b>							
NATICK PUBLIC SCHOOLS	KENNEDY-INSTALL 6 MODULAR CLASSROOMS (funded @ 2012 SATM)	600000	0	0	0	0	600000
NATICK PUBLIC SCHOOLS	KENNEDY - REPLACE ELECTRICAL SERVICE	150000	0	0	0	0	150000
NATICK PUBLIC SCHOOLS	LILJA- REPLACE DOMESTIC HOT WATER HEATER	30000	0	0	0	0	30000
NATICK PUBLIC SCHOOLS	BROWN-REPLACE DOMESTIC HOT WATER HEATER	30000	0	0	0	0	30000
NATICK PUBLIC SCHOOLS	LILJA-REPLACE EXHAUST FANS	30000	0	0	0	0	30000
NATICK PUBLIC SCHOOLS	BEN-HEM-REPLACE OFFICE CARPET	22000	0	0	0	0	22000
NATICK PUBLIC SCHOOLS	BROWN- ROOF REPLACEMENT	0	550000	0	0	0	550000
NATICK PUBLIC SCHOOLS	KENNEDY-REPLACE LARGE HVAC UNITS	0	300000	300000	0	0	600000
NATICK PUBLIC SCHOOLS	KENNEDY-REPLACE CLASSROOM UNIVENTS + DDC	0	200000	0	0	0	200000
NATICK PUBLIC SCHOOLS	BENNETT-HEMENWAY-REPLACE DDC TEMPERATURE CONTROLS	0	150000	0	0	0	150000
NATICK PUBLIC SCHOOLS	BROWN- VINYL FLOOR TILE REPLACEMENT	0	120000	0	0	0	120000
NATICK PUBLIC SCHOOLS	WILSON-REPLACE A/C COMPRESSORS	0	100000	0	0	0	100000
NATICK PUBLIC SCHOOLS	JOHNSON-REFURBISH HALL CEILINGS	0	100000	0	0	0	100000
NATICK PUBLIC SCHOOLS	BENNETT-HEMENWAY-REPLACE ROOFTOP EXHAUST FANS	0	45000	0	0	0	45000
NATICK PUBLIC SCHOOLS	BENNETT-HEMENWAY-ENLARGE KINDERGARTEN PLAYGROUND	0	30000	0	0	0	30000
NATICK PUBLIC SCHOOLS	MEMORIAL-INSTALL KINDERGARTEN PLAYGROUND	0	30000	0	0	0	30000
NATICK PUBLIC SCHOOLS	REPLACEMENT NSD-86	0	26000	0	0	0	26000
NATICK PUBLIC SCHOOLS	REPLACE NSD-84	0	0	40000	0	0	40000
NATICK PUBLIC SCHOOLS	LILJA- ROOF REPLACEMENT	0	0	550000	0	0	550000
NATICK PUBLIC SCHOOLS	MEMORIAL- REPLACE BOILERS	0	0	500000	0	0	500000
NATICK PUBLIC SCHOOLS	MEMORIAL-REPLACE EXTERIOR WINDOWS	0	0	500000	0	0	500000
NATICK PUBLIC SCHOOLS	KENNEDY- REPLACE VAT FLOOR TILE	0	0	300000	300000	0	600000
NATICK PUBLIC SCHOOLS	KENNEDY- REPLACE EXTERIOR DOORS	0	0	120000	0	0	120000
NATICK PUBLIC SCHOOLS	JOHNSON-REMOVE VAT	0	0	120000	0	0	120000
NATICK PUBLIC SCHOOLS	KENNEDY-REPLACE EXTERIOR WINDOWS	0	0	0	650000	0	650000
NATICK PUBLIC SCHOOLS	BROWN- REPLACE UNIT VENTILATORS IN CLASSROOMS	0	0	0	170000	0	170000
NATICK PUBLIC SCHOOLS	MEMORIAL- REPAVE PARKING AREAS	0	0	0	150000	0	150000
NATICK PUBLIC SCHOOLS	WILSON-REPLACE DOMESTIC WATER HEATERS	0	0	0	10000	0	10000
NATICK PUBLIC SCHOOLS	KENNEDY-INSTALL FIRE SPRINKLER SYSTEM	0	0	0	0	800000	800000
NATICK PUBLIC SCHOOLS	MEMORIAL-INSTALL FIRE SPRINKLER SYSTEM	0	0	0	0	500000	500000
NATICK PUBLIC SCHOOLS	WILSON-REPLACE AUDITORIUM A/C COMPRESSORS	0	0	0	0	50000	50000
NATICK PUBLIC SCHOOLS	BEN-EM-REPLACE LIBRARY AND OFFICE CARPETS	0	0	0	25000	25000	50000
NATICK PUBLIC SCHOOLS	REPLACEMENT NSD-80	0	0	0	0	41000	41000
<b>Total</b>		<b>862000</b>	<b>1651000</b>	<b>2430000</b>	<b>1305000</b>	<b>1416000</b>	<b>7664000</b>
<b>Morse Institute Library</b>							
MORSE INSTITUTE LIBRARY	FURNITURE REPLACEMENT (funded @ 2012 SATM)	24000	0	0	0	0	24000
MORSE INSTITUTE LIBRARY	RFID TAGGING OF LIBRARY'S BOOKS & MATERIALS	0	20000	0	0	0	20000
MORSE INSTITUTE LIBRARY	R.F.I.D. PROJECT /SECURITY SYSTEM	0	52000	0	0	0	52000
MORSE INSTITUTE LIBRARY	AUTOMATED MATERIALS HANDLER	0	0	0	138000	0	138000



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
<b>Total Morse</b>		<b>24000</b>	<b>72000</b>	<b>0</b>	<b>138000</b>	<b>0</b>	<b>234000</b>
<b>Police Department</b>							
POLICE DEPARTMENT	CRUISER REPLACEMENT (2 funded @ 2012 SATM, 3 to be funded @ Fall)	183900	188900	193900	198900	203900	969500
POLICE DEPARTMENT	BUILDING SECURITY/MONITORING CAMERAS (funded @ 2012 SATM)	85000	0	0	0	0	85000
POLICE DEPARTMENT	REPLACEMENT OF ANIMAL CONTROL VEHICLE (funded @ 2012 SATM)	48877	0	0	0	0	48877
POLICE DEPARTMENT	FIREARMS TRAINING SIMULATOR (funded @ 2012 SATM)	36000	0	0	0	0	36000
POLICE DEPARTMENT	POLICE FLOORING (funded @ 2012 SATM)	20000	0	0	0	0	20000
POLICE DEPARTMENT	FITNESS EQUIPMENT UPGRADE (funded @ 2012 SATM)	15000	0	0	0	0	15000
POLICE DEPARTMENT	PORTABLE RADIO REPLACEMENT (funded @ 2012 SATM)	14500	0	0	0	0	14500
POLICE DEPARTMENT	DISPATCH GLASS (funded @ 2012 SATM)	12500	0	0	0	0	12500
POLICE DEPARTMENT	INTERVIEW ROOMS RECORDING EQUIPMENT (funded @ 2012 SATM)	12000	0	0	0	0	12000
POLICE DEPARTMENT	PUBLIC SAFETY RADIO SYSTEM NARROWBANDING MANDATE	10000	0	0	0	0	10000
POLICE DEPARTMENT	RECONFIGURE DISPATCH CENTER	0	230000	0	0	0	230000
POLICE DEPARTMENT	VIDEO LAB UPGRADE	0	14000	0	0	0	14000
POLICE DEPARTMENT	CRUISER LAPTOP REPLACEMENT	0	10000	0	0	0	10000
POLICE DEPARTMENT	DICTIONARY SYSTEM REPLACEMENT	0	0	30000	0	0	30000
<b>Total Police</b>		<b>437777</b>	<b>442900</b>	<b>223900</b>	<b>198900</b>	<b>203900</b>	<b>1507377</b>
<b>Fire Department</b>							
FIRE DEPARTMENT	REPLACE ZETRON PUBLIC ADDRESS SYSTEM (funded @ 2012 SATM)	42000	0	0	0	0	42000
FIRE DEPARTMENT	TURN OUT GEAR/ FIREFIGHTER PROTECTIVE CLOTHING	60000	120000	60000	0	0	240000
FIRE DEPARTMENT	CONSTRUCTION OF TRAINING FACILITY	0	750000	0	0	0	750000
FIRE DEPARTMENT	REPLACE ENGINE 5 (1995)	0	500000	0	0	0	500000
FIRE DEPARTMENT	FIRE STATION 2 / SOUTH NATICK SITE IMPROVEMENT	0	100000	0	0	0	100000
FIRE DEPARTMENT	INCIDENT SUPPORT VEHICLE/BOX TRUCK	0	90000	0	0	0	90000
FIRE DEPARTMENT	MOBILE DATA TERMINALS/ COMPUTERS ON APPARATUS	0	70000	0	0	0	70000
FIRE DEPARTMENT	FIRE STATION 4 / WEST NATICK - REPLACEMENT	0	0	7000000	0	0	7000000
FIRE DEPARTMENT	REPLACE FIRE PICKUP 3/PLOW	0	0	70000	0	0	70000
FIRE DEPARTMENT	DEFIBRILLATOR PURCHASE	0	0	30000	0	0	30000
FIRE DEPARTMENT	REPLACE NFD CAR-1	0	0	28500	0	0	28500
FIRE DEPARTMENT	PURCHASE ADDITIONAL AUTOMATED STRETCHER	0	0	14000	0	0	14000
FIRE DEPARTMENT	PURCHASE ADDITIONAL AUTO PULSE/ AUTOMATED CPR	0	0	13000	0	0	13000
FIRE DEPARTMENT	REPLACE LADDER / PLATFORM	0	0	0	1200000	0	1200000
FIRE DEPARTMENT	REPLACE 2001 FIRE PUMPER	0	0	0	500000	0	500000
FIRE DEPARTMENT	REPLACE AMBULANCE	0	0	0	200000	0	200000
<b>Total Fire</b>		<b>102000</b>	<b>1630000</b>	<b>7215500</b>	<b>1900000</b>	<b>0</b>	<b>10847500</b>
<b>Public Works Building Maintenance</b>							
PUBLIC BUILDING MAINTENANCE	REPLACE B-1 (VEHICLE)	26000	0	0	0	0	26000
PUBLIC BUILDING MAINTENANCE	ROOF (90 OAK STREET)	0	135000	0	0	0	135000
PUBLIC BUILDING MAINTENANCE	TOWN HALL HVAC UNITS #1-4	0	80000	0	0	0	80000
PUBLIC BUILDING MAINTENANCE	REPLACE B-2 (VAN)	0	35000	0	0	0	35000



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
PUBLIC BUILDING MAINTENANCE	EXTERIOR PAINTING (90 OAK ST)	0	30000	0	0	0	30000
PUBLIC BUILDING MAINTENANCE	AIR HANDLER UNITS (COLE)	0	0	100000	0	0	100000
PUBLIC BUILDING MAINTENANCE	TOWN HALL HVAC UNITS #5-8	0	0	80000	0	0	80000
PUBLIC BUILDING MAINTENANCE	BOILER REMOVAL (COLE)	0	0	45000	0	0	45000
PUBLIC BUILDING MAINTENANCE	REPLACE CARPETING	0	0	10000	25000	0	35000
<b>Total DPW Building Maintenance</b>		<b>26000</b>	<b>280000</b>	<b>235000</b>	<b>25000</b>	<b>0</b>	<b>566000</b>
<b>Public Works Engineering</b>							
PUBLIC WORKS ENGINEERING	CH90 ROAD IMPROVEMENTS <sup>1</sup>	1020000	1008000	1008000	1008000	1008000	5052000
PUBLIC WORKS ENGINEERING	ROADS (COLLECTOR/ARTERIAL) (funded @ 2012 SATM)	300000	300000	1500000	1500000	1500000	5100000
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS COTTAGE STREET	250000	1750000	0	0	0	2000000
PUBLIC WORKS ENGINEERING	ROADWAY IMPROVEMENTS PINE STREET	250000	1750000	0	0	0	2000000
PUBLIC WORKS ENGINEERING	REHAB. - CHARLES RIVER BRIDGE	0	500000	0	0	0	500000
PUBLIC WORKS ENGINEERING	WILLOW ST. DRAINAGE IMPROVEMENTS	0	300000	0	500000	0	800000
PUBLIC WORKS ENGINEERING	MIDDLE ST. DRAINAGE IMPROVEMENTS	0	250000	1000000	0	0	1250000
PUBLIC WORKS ENGINEERING	FEASIBILITY STUDY - STORMWATER UTILITY	0	50000	0	0	0	50000
PUBLIC WORKS ENGINEERING	ADD NEW E-3 (VEHICLE)	0	25000	0	0	0	25000
PUBLIC WORKS ENGINEERING	ENGINEERING & REPAIRS TO THE CHARLES RIVER DAM	0	0	500000	690000	0	1190000
PUBLIC WORKS ENGINEERING	REHAB. - JENNINGS POND DAM	0	0	0	0	125000	125000
<b>Total DPW Engineering</b>		<b>1820000</b>	<b>5933000</b>	<b>4008000</b>	<b>3698000</b>	<b>2633000</b>	<b>18092000</b>
<b>Public Works Equipment Maintenance</b>							
PUBLIC WORKS EQUIPMENT MAINT	FUEL DEPOT UPGRADES (funded @ 2012 SATM)	25000	0	0	0	0	25000
PUBLIC WORKS EQUIPMENT MAINT	IMPLEMENTATION OF GRAVEL PIT MASTER PLAN	0	100000	0	0	0	100000
PUBLIC WORKS EQUIPMENT MAINT	REPLACE M-2 (TRUCK)	0	50000	0	0	0	50000
PUBLIC WORKS EQUIPMENT MAINT	FUEL MANAGEMENT SYSTEM	0	30000	30000	0	0	60000
PUBLIC WORKS EQUIPMENT MAINT	REPLACE M-1 (VEHICLE)	0	28000	0	0	0	28000
PUBLIC WORKS EQUIPMENT MAINT	REPLACE M-4 (TRUCK)	0	0	52000	0	0	52000
PUBLIC WORKS EQUIPMENT MAINT	FORK LIFT	0	0	20000	0	0	20000
<b>Total DPW Equipment Maintenance</b>		<b>25000</b>	<b>208000</b>	<b>102000</b>	<b>0</b>	<b>0</b>	<b>335000</b>
<b>Public Works Highway</b>							
PUBLIC WORKS HIGHWAY	SNOW MELTER (funded @ 2012 SATM)	232000	0	0	0	0	232000
PUBLIC WORKS HIGHWAY	REPLACE H-55 (FRONT-END LOADER) (funded @ 2012 SATM)	170000	0	0	0	0	170000
PUBLIC WORKS HIGHWAY	REPLACE H-42 (DUMP TRUCK/SANDER/PLOW) (funded @ 2012 SATM)	110000	0	0	0	0	110000
PUBLIC WORKS HIGHWAY	RECYCLING PACKERS (3 @ \$300,000 each)	900000	0	0	0	0	900000
PUBLIC WORKS HIGHWAY	REPLACE DUMPSTERS	10000	10000	10000	10000	10000	50000
PUBLIC WORKS HIGHWAY	GUARDRAIL (VARIOUS LOCATIONS)	10000	10000	10000	10000	10000	50000
PUBLIC WORKS HIGHWAY	REPLACE S-37 CHASSIS AND HOOKLIFT	0	225000	0	0	0	225000
PUBLIC WORKS HIGHWAY	REPLACE TRASH PACKER	0	275000	0	0	0	275000
PUBLIC WORKS HIGHWAY	REPLACE STREET SWEEPER	0	175000	0	0	0	175000
PUBLIC WORKS HIGHWAY	REPLACEMENT H-48	0	0	190000	0	0	190000
PUBLIC WORKS HIGHWAY	REPLACE H-41	0	0	65000	0	0	65000



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
	<b>Total Highway</b>	<b>1432000</b>	<b>695000</b>	<b>275000</b>	<b>382000</b>	<b>365000</b>	<b>3149000</b>
<b>Public Works Land, Facilities and Natural Resources</b>							
PUBLIC WORKS LND FAC/NAT RES	REPLACE LOG LOADER ON LF-8 (funded @ 2012 SATM)	62000	0	0	0	0	62000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-3 (DUMP TRUCK W/PLOW) (funded @ 2012 SATM)	62000	0	0	0	0	62000
PUBLIC WORKS LND FAC/NAT RES	SOIL CONDITIONING - DEEP TINE	27000	0	0	0	0	27000
PUBLIC WORKS LND FAC/NAT RES	DAILY MAINTENANCE EQUIPMENT	14000	0	0	0	0	14000
PUBLIC WORKS LND FAC/NAT RES	FIELD REHABILITATION	0	65000	66000	75000	146000	352000
PUBLIC WORKS LND FAC/NAT RES	REPLACE FIELD UTILITY TRACTOR	0	18500	0	0	0	18500
PUBLIC WORKS LND FAC/NAT RES	ADDITIONAL EQUIPMENT ATTACHMENTS	0	16000	0	0	0	16000
PUBLIC WORKS LND FAC/NAT RES	SYNTHETIC MAINTENANCE EQUIPMENT	0	13000	0	0	0	13000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-12 (STUMP GRINDER)	0	0	35000	0	0	35000
PUBLIC WORKS LND FAC/NAT RES	SEEDING EQUIPMENT	0	0	14000	0	0	14000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-11	0	0	12500	0	0	12500
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-17 MOWER	0	0	10000	0	0	10000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-9 (BUCKET TRUCK)	0	0	0	200000	0	200000
PUBLIC WORKS LND FAC/NAT RES	REPLACE 1999 WOOD CHIPPER	0	0	0	61000	0	61000
PUBLIC WORKS LND FAC/NAT RES	REPLACE LF-20 MOWER	0	0	0	12500	0	12500
	<b>Total Land, Facilities &amp; Natural Resources</b>	<b>165000</b>	<b>112500</b>	<b>137500</b>	<b>348500</b>	<b>146000</b>	<b>909500</b>
<b>Community Services</b>							
PARKS & RECREATION	J. J. LANE PARK <sup>6</sup>	90000	0	0	0	0	90000
PARKS & RECREATION	REPLACE R-1 (VEHICLE) (funded @ 2012 SATM)	35000	0	0	0	0	35000
PARKS & RECREATION	DUG POND PERIMETER FENCE WORK (funded @ 2012 SATM)	20000	0	0	0	0	20000
PARKS & RECREATION	HISTORICAL MONUMENT/SIGNAGE RESTORATION	15000	15000	15000	0	0	45000
COUNCIL ON AGING	COMMUNITY SENIOR CENTER GYM FLOOR COVER	10000	0	0	0	0	10000
PARKS & RECREATION	COOLIDGE BASKETBALL COURT (funded @ 2012 SATM)	10000	0	0	0	0	10000
PARKS & RECREATION	MURPHY FIELD IMPROVEMENTS (funded @ 2012 SATM)	10000	0	0	0	0	10000
PARKS & RECREATION	DUG POND PIER <sup>3</sup>	5000	5000	5000	5000	5000	25000
PARKS & RECREATION	COLE NORTH FIELD RENOVATIONS	0	450000	0	0	0	450000
PARKS & RECREATION	MEMORIAL SCHOOL LIGHTING	0	125000	0	0	0	125000
COUNCIL ON AGING	BUS <sup>2</sup>	0	65000	0	0	0	65000
PARKS & RECREATION	JOHNSON SCH CT/BASKETBALL & HOCKEY RINK	0	75000	0	0	0	75000
PARKS & RECREATION	REPLACE REC BUS #1	0	70000	0	0	0	70000
PARKS & RECREATION	NAVY YARD IMPROVEMENTS	0	50000	0	0	0	50000
PARKS & RECREATION	BASKETBALL COURT RENOVATIONS	0	20000	0	0	0	20000
PARKS & RECREATION	FIELD FENCE WORK - MURPHY & COOLIDGE	0	20000	0	0	0	20000
PARKS & RECREATION	TOWN GAZEBO ROOF	0	16500	0	0	0	16500



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
PARKS & RECREATION	SOUTH NATICK PARK SYSTEM	0	0	1000000	0	0	1000000
PARKS & RECREATION	EAST TENNIS/BASKETBALL COURTS	0	0	1000000	0	0	1000000
PARKS & RECREATION	TENNIS/BASKETBALL COURT RENOVATIONS	0	0	250000	0	0	250000
PARKS & RECREATION	BACKSTOP/FENCE RENOVATION AND REPAIR WORK	0	0	0	0	0	0
PARKS & RECREATION	MEMORIAL BEACH WATER PLAY UNIT	0	0	0	75000	0	75000
PARKS & RECREATION	COLE CENTER PLAYGROUND	0	0	0	50000	0	50000
PARKS & RECREATION	BACKSTOP/FENCE RENOVATION WORK	0	0	0	25000	25000	50000
PARKS & RECREATION	PEGAN COVE PARK	0	0	0	0	30000	30000
<b>Total Community Services</b>		<b>195000</b>	<b>911500</b>	<b>1145000</b>	<b>155000</b>	<b>60000</b>	<b>2466500</b>

Information Technology	Document Archiving	2013	2014	2015	2016	2017	Total
INFORMATION TECHNOLOGY	DOCUMENT ARCHIVING	0	250000	250000	250000	0	750000
<b>Total Information Technology</b>		<b>0</b>	<b>250000</b>	<b>250000</b>	<b>250000</b>	<b>0</b>	<b>750000</b>

Town Clerk	Preservation of Historical Records	2013	2014	2015	2016	2017	Total
TOWN CLERK	PRESERVATION OF HISTORICAL RECORDS	100000	100000	100000	100000	100000	500000
TOWN CLERK	TOWN VAULT STORAGE	0	30000	0	0	0	30000
<b>Total Town Clerk</b>		<b>100000</b>	<b>130000</b>	<b>100000</b>	<b>100000</b>	<b>100000</b>	<b>530000</b>

Community Development	Route 27 Improvements - Construction	2013	2014	2015	2016	2017	Total
COMMUNITY DEVELOPMENT	ROUTE 27 IMPROVEMENTS - CONSTRUCTION <sup>4</sup>	11000000	0	0	0	0	11000000
COMMUNITY DEVELOPMENT	SPEEN STREET AND RELATED FEDEX TRAFFIC MITIGATION <sup>5</sup>	1000000	509000	0	0	0	1509000
COMMUNITY DEVELOPMENT	NORTH MAIN STREET REDESIGN <sup>5</sup>	690000	0	0	0	0	690000
COMMUNITY DEVELOPMENT	N. MAIN & BACON INT. IMP. - (MATHWORKS MITIGATION) <sup>5</sup>	620000	0	0	0	0	620000
COMMUNITY DEVELOPMENT	WETHERSFIELD NEIGHBORHOOD TRAFFIC IMPROVEMENTS <sup>5</sup>	208000	0	0	0	0	208000
COMMUNITY DEVELOPMENT	PARK, BACON & WALNUT ST NEIGHBOR. TRAFFIC IMP. <sup>5</sup>	172000	0	0	0	0	172000
COMMUNITY DEVELOPMENT	CONCEPTUAL DESIGN WORK - NATICK CENTER MBTA STATION	80000	0	0	0	0	80000
COMMUNITY DEVELOPMENT	SPEEN STREET TRAFFIC IMPROVEMENTS <sup>5</sup>	50000	200000	0	0	0	250000
COMMUNITY DEVELOPMENT	COCHITUATE AQUADUCT IMPROVEMENTS <sup>6</sup>	50000	0	0	0	0	50000
COMMUNITY DEVELOPMENT	DOWNTOWN PARKING GARAGE	0	7000000	0	0	0	7000000
<b>Total Community Development</b>		<b>13870000</b>	<b>7709000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21579000</b>
<b>Total General Fund</b>		<b>19058777</b>	<b>20024900</b>	<b>16121900</b>	<b>8500400</b>	<b>4923900</b>	<b>68629877</b>

less alternative sources -14905000 -1787000 -1013000 -1013000 -1013000 -1013000 -18222000

Net General Fund Requests	2013	2014	2015	2016	2017	Total
	<b>4153777</b>	<b>18237900</b>	<b>15108900</b>	<b>7487400</b>	<b>3910900</b>	<b>50407877</b>

### Notes

<sup>1</sup> Funded through M.G.L. Ch. 90 State Aid for Roadway Construction & Maintenance

<sup>2</sup> Funded only if grants are available



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
	<sup>3</sup> Funded through B.A.A./Marathon funds						
	<sup>4</sup> Funded through the State						
	<sup>5</sup> Funded through project specific mitigation funds						
	<sup>6</sup> Funded through Conservation Commission						
<b>Cash Needs</b>		<b>1558400</b>	<b>699400</b>	<b>519900</b>	<b>391400</b>	<b>494900</b>	<b>3664000</b>
<b>Enterprise Funds</b>							
<b>Water/Sewer Enterprise Fund</b>							
WATER SEWER ENTERPRISE	UPGRADE FORCE MAIN BRADFORD & PAMELA (funded @ 2012 SATM)	2100000	0	0	0	0	2100000
WATER SEWER ENTERPRISE	REPLACE GROUND WATER WELLS (funded @ 2012 SATM)	300000	300000	300000	0	0	900000
WATER SEWER ENTERPRISE	H & T FILTER MODIFICATION (funded @ 2012 SATM)	200000	0	0	0	0	200000
WATER SEWER ENTERPRISE	REPLACE W-22 (DUMP TRUCK) (funded @ 2012 SATM)	160000	0	0	0	0	160000
WATER SEWER ENTERPRISE	SEWER MAIN RELINING (funded @ 2012 SATM)	150000	150000	150000	150000	150000	750000
WATER SEWER ENTERPRISE	PINE OAKS WELLS REPLACE MCC (funded @ 2012 SATM)	150000	0	0	0	0	150000
WATER SEWER ENTERPRISE	REPLACE W-14 (BACKHOE) (funded @ 2012 SATM)	125000	0	0	0	0	125000
WATER SEWER ENTERPRISE	SPRINGVALE FLUORIDE UPGRADE (funded @ 2012 SATM)	100000	0	0	0	0	100000
WATER SEWER ENTERPRISE	SEWER MAIN ON COTTAGE & ROCKLAND STREET (funded @ 2012 SATM)	75000	0	0	0	0	75000
WATER SEWER ENTERPRISE	REPLACE W-25 (TRUCK) (funded @ 2012 SATM)	46000	0	0	0	0	46000
WATER SEWER ENTERPRISE	REPLACE PUMP 4M SEWER STATION (funded @ 2012 SATM)	35000	0	0	0	0	35000
WATER SEWER ENTERPRISE	WATER METER RADIO TRANSMITTERS	0	200000	200000	200000	0	600000
WATER SEWER ENTERPRISE	TOWN FOREST RESERVOIR ROOF COATING	0	220000	0	0	0	220000
WATER SEWER ENTERPRISE	VFD INSTALLS & CONTROLS	0	180000	150000	0	0	330000
WATER SEWER ENTERPRISE	PRIME PARK PUMP STATION WALL REPAIR	0	140000	0	0	0	140000
WATER SEWER ENTERPRISE	INSTALL SEWER GRINDER PUMP	0	90000	0	0	0	90000
WATER SEWER ENTERPRISE	REPLACE W-28 (TRUCK W/PLOW)	0	47000	0	0	0	47000
WATER SEWER ENTERPRISE	W-21 CALL TRUCK 1 TON WORK TRUCK	0	40000	0	0	0	40000
WATER SEWER ENTERPRISE	REPLACE W-1 (VEHICLE)	0	30000	0	0	0	30000
WATER SEWER ENTERPRISE	W-12 AIR COMPRESSOR	0	30000	0	0	0	30000
WATER SEWER ENTERPRISE	SEWER STATION GENERATORS	0	0	250000	0	0	250000
WATER SEWER ENTERPRISE	REPLACE W-16 (BACKHOE)	0	0	125000	0	0	125000
WATER SEWER ENTERPRISE	REPLACE CONTROL VALVES TONKA AND H&T FILTERS	0	0	100000	0	0	100000
WATER SEWER ENTERPRISE	RUNNING BROOK/VESTA RD PUMP STATION	0	0	0	500000	0	500000
WATER SEWER ENTERPRISE	BOOSTER PUMP - GLENRIDGE	0	0	0	250000	0	250000
WATER SEWER ENTERPRISE	REPLACE W-23 (DUMP TRUCK)	0	0	0	160000	0	160000
WATER SEWER ENTERPRISE	W-4 RANGER	0	0	0	21000	0	21000
WATER SEWER ENTERPRISE	ROUTE 30 WATER MAIN LOOP	0	0	0	0	0	0
WATER SEWER ENTERPRISE	CAPT TOM'S BOOSTER PUMP	0	0	0	0	0	0
WATER SEWER ENTERPRISE	SPRINGVALE TONKA FILTER MEDIA REPLACEMENT	0	0	0	0	0	0



# Town of Natick

FY 2013-2017 Capital Plan Summary

FY 2013 Appropriated Budget - 5-year Capital Improvement Plan

Funded @ 2012 SATM -

Department	Project Title	2013	2014	2015	2016	2017	Total
WATER SEWER ENTERPRISE	W-11 AIR COMPRESSOR	0	0	0	0	0	0
WATER SEWER ENTERPRISE	WATER MAIN RELINING PHASE 6	0	0	0	0	0	0
<b>Total Water/Sewer Enterprise Fund</b>		<b>3441000</b>	<b>1427000</b>	<b>1275000</b>	<b>1281000</b>	<b>150000</b>	<b>7574000</b>

### Sassamon Trace Enterprise Fund

SASSAMON TRACE GOLF COURSE	REPLACEMENT OF GOLF CARTS (funded @ 2012 SATM)	117000	0	0	0	0	117000
SASSAMON TRACE GOLF COURSE	PARKING LOT EXTENSION	0	20000	0	0	0	20000
SASSAMON TRACE GOLF COURSE	SASSAMON TRACE IRRIGATION WELL	0	75000	0	0	0	75000
SASSAMON TRACE GOLF COURSE	PAVING OF GOLF COURSE CART PATHS	0	10000	10000	10000	10000	40000
<b>Total Sassamon Trace Enterprise Fund</b>		<b>117000</b>	<b>105000</b>	<b>10000</b>	<b>10000</b>	<b>10000</b>	<b>252000</b>

### FY 2013-2017 Capital Improvement Plan Summary

	2013	2014	2015	2016	2017	Total
<b>General Fund</b>	<b>19058777</b>	<b>20024900</b>	<b>16121900</b>	<b>8500400</b>	<b>4923900</b>	<b>68629877</b>
<b>Water &amp; Sewer Enterprise Fund</b>	<b>3441000</b>	<b>1427000</b>	<b>1275000</b>	<b>1281000</b>	<b>150000</b>	<b>7574000</b>
<b>Sassamon Trace Enterprise Fund</b>	<b>117000</b>	<b>105000</b>	<b>10000</b>	<b>10000</b>	<b>10000</b>	<b>252000</b>
<b>Total ALL Capital Projects</b>	<b>22616777</b>	<b>21556900</b>	<b>17406900</b>	<b>9791400</b>	<b>5083900</b>	<b>76455877</b>
<b>less alternative sources</b>	<b>-14905000</b>	<b>-1787000</b>	<b>-1013000</b>	<b>-1013000</b>	<b>-1013000</b>	<b>-18222000</b>
<b>Total All Capital Projects (funded by Natick)</b>	<b>7711777</b>	<b>19769900</b>	<b>16393900</b>	<b>8778400</b>	<b>4070900</b>	<b>58233877</b>

# Glossary & Basis of Budgeting & Accounting

---

**ABATEMENT** - Abatement is a reduction of a tax liability. The Board of Assessors grants abatements for real estate and personal property taxes in cases where an individual's assessed valuation is determined to be in excess of fair market value.

**ACCRUAL BASIS FOR ACCOUNTING** – A method of accounting that recognizes revenue when earned, rather than when collected, and recognizes expenses when incurred, rather than when paid.

**APPROPRIATIONS** - A legal authorization to expend municipal funds. Massachusetts municipal finance laws require that all general-purpose expenditures be authorized by a majority vote of Town Meeting.

There are two basic types of appropriations - operating appropriations, and special article appropriations. Operating appropriations last for one fiscal year only, and any unobligated balance is closed at the end of the fiscal year. Fire Department Salaries is an example of an operating appropriation. Special Article appropriations are generally voted for a specific project, such as the completion of a capital improvement or the purchase of a piece of capital equipment. Special article appropriations are closed upon completion of the project for which the funds were voted. Appropriations for all **Municipal** departments, boards, and committees are voted in two broad categories - salaries and expenses. Funds voted for salaries may not be expended for expenses and funds voted for expenses may not be expended for salaries, without a transfer approved by Town Meeting. There are no restrictions on **School** appropriations.

**APPROPRIATED BUDGET** – As used in fund summaries and department summaries within the budget document, represents the current year budget as originally adopted by Town Meeting. It does not include prior year encumbrances or re-appropriation.

**ARTICLE** - An article or item on the Town Warrant.

**ASSESSED VALUATION** - The valuation of real estate or other property determined by the Town Assessor for tax levying purposes. The Commonwealth certifies the values and methodology in determining those values every three years.

**ASSETS** – Property, plant and equipment owned by the Town.

**AUDIT** – A comprehensive examination as to the manner in which the government's resources were actually utilized concluding in a written report of its findings. An accounting audit is intended to ascertain whether financial statements fairly present the financial position and results of operations of the Town. The Town is required to conduct an audit annually.

**BOND** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between notes, usually one year or two years in length and a bond is that the latter runs for a longer period of time. State statute and the Board of Selectmen establish the length of a bond repayment.

**BOND ANTICIPATION NOTE (BAN)** – A temporary note issued for no more than one or two years. This is commonly used to defer the initial pay down of debt or to accommodate reimbursement for borrowed notes from a private source or other governmental entity.

**BUDGET** - The budget is the Town's financial plan for a given fiscal period. The annual budget includes an estimate of proposed expenditures, as well as a forecast of estimated revenues and other financing sources.

The Natick Town Charter specifies that the Town Administrator is responsible for presenting a recommended annual budget to the Finance Committee. The Finance Committee reviews the Town Administrator's Recommended Budget in detail and forwards its recommendations to Town Meeting. Town Meeting adopts the budget by voting a series of appropriations, which may not; in the absence of an over-ride of Proposition 2 1/2 exceed the estimated total amount of revenues and other financing sources for the fiscal period.

**BUDGET MESSAGE (Town Administrator's Transmittal Letter)** – The opening section of the budget that provides the Board of Selectmen, Town Meeting Members, and the general public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the recommendations of the Town Administrator.

**CAPITAL EXPENDITURE** - A major, non-recurring expenditure involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$10,000 or more with a useful life of five years or more.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** - A financial planning and management tool which: identifies public facility and equipment requirements; places these requirements in order of priority; and schedules them for funding and implementation.

**CHAPTER 90** - Massachusetts General Laws Chapter 90, Section 34 authorizes the Commonwealth to allocate funds to municipalities through the Transportation Bond Issue for highway construction, preservation and improvement projects that create or extend the life of capital facilities. Routine maintenance operations such as pothole filling and snow and ice removal are not covered. The formula for determining the Chapter 90 level of funding is based on a municipality's miles of public ways, population and level of employment. Municipalities receive Chapter 90 funds on pre-approved projects on a reimbursement basis.

**CHERRY SHEET** - The State allocates a portion of generated revenue to municipalities each year for education and general governmental expenditures. The amount of state aid each community will receive is itemized in a financial statement printed on cherry colored paper (thus the name). The amount of reimbursement is a function of the State budget. Towns usually receive notification in late summer, subsequent to the beginning of the fiscal year.

**CLASSIFICATION** - Massachusetts municipal finance law requires that all real estate and personal property be appraised at "full and fair cash valuation" for purposes of assessing property taxes. Once the Commissioner of the Massachusetts Department of Revenue certifies that properties are appraised at "full and fair cash valuation" (once every three years), the Board of Selectmen may

impose a tax classification plan, whereby a portion of the residential tax burden may be shifted to the commercial/industrial class of taxpayers. The law limits the amount of tax burden which can be shifted to the commercial/industrial class to not more than 150% of the proportionate share of the class. In other words, if the commercial/industrial class of taxpayers is normally responsible for 25% of the total tax burden, their maximum burden under the classification law is 37.5% (25 x 1.50).

**COMPETITIVE BIDDING PROCESS** – the process following State law requiring that for purchases of \$25,000 or more a Town must advertise, solicit and publicly open sealed bids from prospective vendors. After a review period, the Town Manager then awards a contract to the successful bidder.

**DEBT EXCLUSION** - The amount of taxes assessed in excess of the Proposition 2-1/2 levy limit for the payment of debt service costs attributable to a vote of the electorate. Two-thirds of the Selectmen and a majority of citizens voting must approve the exclusion. These funds are raised to retire the debt service for the project. They are not added to the tax levy limit for the following fiscal year.

**DEBT SERVICE** - Payment of interest and principal on an obligation resulting from the issuance of bonds.

**DEPARTMENT** – A division of the Town that has overall management responsibility for an operation or group of related operations within a functional area.

**DEPRECIATION** – 1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, and inadequacy of obsolescence. 2) That portion of the cost of a capital asset that is charged as an expense during a particular period. Depreciation is based on historic costs not replacement value.

**ENCUMBRANCE** – To encumber funds means to set aside or commit funds for a future expenditure. Encumbrances include obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

**ENTERPRISE FUNDS** - Enterprise Funds are used to account for operations which are financed and operated in a manner similar to business operations and where the costs of providing goods or services are financed in whole or in part by user charges (charges for services). Services accounted for in Enterprise Funds are tangible and can be measured for determining a charge for services. In Massachusetts, the most common types of government enterprises include utility or utility-type services for water treatment and delivery, sewerage collection and treatment, and electricity generation and distribution. Less common but prevalent operations include hospitals, airports, parking, swimming pools, and golf courses.

Individual services must ordinarily be accounted for in separate Enterprise Funds. Segregation is essential for determining the total cost of services and the extent to which user charges cover that cost. Although a community may decide to recover only a portion of its costs from user charges, it is essential from a management point of view that it understands what its total costs are. Such costs include amounts for repayment of long-term debt and related interest and estimates for depreciation.

**EXPENDITURE** – Decrease in net financial resources for the purpose of acquiring and providing goods and services.

**EXPENSES** – Outflows or other using up of assets or incurring of liabilities during a period from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. Expenses consist of the following objects of expenditure: Utilities, Supplies and Materials, Contractual Services, and Equipment.

**FINES & FORFEITURES** - Revenue collected from court fines, penalty charges for overdue taxes along with non-criminal fines are included in this category.

**FISCAL YEAR (FY)** - The Town of Natick operates on a July 1st through June 30th fiscal year.

**FREE CASH** - The amount certified annually by the Dept of Revenue that represents the unreserved fund balance less all outstanding tax receivables. This balance is created when actual revenues exceed those estimated and/or expenditures are less than appropriations for any given fiscal year. These funds may be appropriated by Town Meeting as a resource for the next fiscal year's operations or any other purpose authorized by state statute. The Massachusetts Department of Revenue certifies free cash each July 1st. Free Cash represents the savings account of the Town. Certified Free Cash is available for appropriation by Town Meeting for any lawful purpose.

**FUND BALANCE** - The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**FUNDING SOURCE** – The specifically identified funds allocated to meet budget requirements/expenses.

**GENERAL FUND** - Revenues derived from the tax levy, state aid, local receipts and available funds are considered General Fund revenues. The General Fund is distinguished from Enterprise Funds and Special Revenue Funds.

**GFOA** – Government Finance Officers Association of the United States and Canada. The G.F.O.A. is a professional organization of governmental finance officers.

**GRANT** – A contribution by one government unit or outside agency to another governmental unit. The contribution is usually made for a specific purpose but is sometimes for general purposes.

**INVESTMENT INCOME** - The Town earns interest on cash held in savings accounts and invested in short term securities. The investment goal is to ensure that all funds are invested. The term of these investments is short-term and risk adverse. The Treasurer is very restricted as to the instruments in which investments can be made. The amount of investment income is a function of the amount of funds invested and the interest rate.

**LEVY LIMIT** - The maximum amount of money, which the Town can raise from the property tax levy, without an override of proposition 2 1/2. Please refer to the explanation of Proposition 2 1/2 for a description of how the levy limit is calculated.

**LIABILITY** – Debt or other legal obligation which must be paid, renewed or refunded at some future date, but does not include encumbrances.

**LOCAL RECEIPTS** - A category of revenue sources including school department charges for services, investment income, fines and forfeitures, building permits and excise taxes. These revenues are not considered part of the Proposition 2 ½ Tax Levy.

**MODIFIED ACCRUAL BASIS FOR ACCOUNTING** – A method of accounting that recognizes revenue when it is actually received and recognizes expenditures when a commitment is made.

**MOTOR VEHICLE EXCISE** - All Massachusetts vehicle owners who have their vehicle(s) registered in the State of Massachusetts pay an annual motor vehicle excise tax to the city or town in which they reside. The Registry of Motor Vehicles creates a listing of all vehicles registered in Natick and the book value assigned to each vehicle. The Town uses this information to bill all owners an annual tax equal to 2 ½ percent or \$25 for each \$1,000 of the vehicle's value.

**MWRA** – Massachusetts Water Resources Authority

**NEW GROWTH** - In addition to a standard 2 1/2% annual increase in the property tax levy, Proposition 2 1/2 allows the levy to be increased further by the sum of certain qualifying new construction valuation, multiplied by the prior year tax rate. Qualifying new construction valuation is known as "New Growth". In general, in order to qualify as "New Growth" the new construction valuation must be either a newly constructed house or an addition to an existing house, which adds at least 50% to the preconstruction value (residential properties). For commercial/industrial properties, "New Growth" consists of both newly built buildings, and additions, which add at least \$100,000 to the prior value of the improved property. It permanently becomes part of the tax levy.

**OBLIGATION** - A commitment to pay a particular sum of money (e.g. as required by contract or a bond).

**OPERATING BUDGET** – The portion of the budget that pertains to daily operations, which provide basic services for the fiscal year. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

**OPERATING EXPENDITURE** - An ongoing or recurring cost of performing a function or providing a service. Operating expenditures include personal services, supplies and materials, utilities, contractual services, minor equipment, and debt service.

**OVERLAY** - The amount raised in the tax levy for funding abatements granted by the Board of Assessors due to overvaluation.

**OVERRIDE** - An action taken by the voters of the town to exceed the limit placed on tax revenue growth by the State tax limitation law known as Proposition 2 ½. The tax levy limit can be exceeded only if a majority of residents voting approve an override. This sum is then added to the base levy for the next fiscal year and this becomes a permanent addition to the tax levy limit.

**PROPOSITION 2 ½** - A tax limitation measure passed by Massachusetts voters in 1980 which limits the growth of the total property tax levy to 2.5% per year. In other words, the total revenue allowed to be raised through real estate and personal property taxes cannot increase by more than 2.5% from one fiscal year to the next unless the citizens of the town approve a debt exclusion or an operating override. New construction values are in addition to this limit. Two provisions within Proposition 2 ½ allow the citizens of a community by popular vote to authorize the Town to raise taxes above the tax levy limit: an operating override or a debt exclusion.

As a consequence of this proposition, the Property Tax currently accounts for 2/3 of the Town's total revenue budget. Proposition 2 1/2, is a statutory limit on the annual rate of growth in the property tax levy of the Town. In the absence of a majority vote of approval by the Natick electorate (an override), the total amount of revenue which may be generated from the property tax is limited to: 2 1/2 more than the prior year levy limit, plus the sum of all qualifying new construction valuation multiplied by the prior year tax rate.

**RESERVE FUND** - An amount set aside annually within the budget of a city or town to provide a funding source for "extraordinary and unforeseen" expenditures. In a town, the Finance (or Appropriation) Committee can authorize transfers from this fund. The Reserve Fund is under the control of the Finance Committee.

**RETAINED EARNINGS** – The equity account reflecting the accumulated earnings of the enterprise funds.

**RESOURCES** - Total dollar amounts available for appropriation including estimated revenues, fund transfers, and beginning fund balances.

**REVALUATION** - Massachusetts municipal finance law requires that the Massachusetts Department of Revenue formally certify that property tax assessments represent the "full and fair cash valuation" of properties. The process of determining the "full and fair cash valuation" of taxable property is known as Revaluation.

**REVENUE** - Budgetary resources. The various revenues the Town receives are listed in the Revenue Section of Town Administrator's Summary.

**REVOLVING FUND** – As authorized under M.G.L. Ch. 53 E ½, departmental revolving funds allow communities to raise revenues from a specific service and use those revenues without appropriation to support the service. Each revolving fund must be re-authorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also

charged for all associated fringe benefits.

**SCHOOL BUILDING ASSISTANCE PROGRAM (SBAB)** – A program started by the Commonwealth of Massachusetts for the purpose of assisting municipalities in the reconstruction and renewal of its public schools.

**SEWER & WATER CHARGES** - The Town operates a Water and Sewer Enterprise Fund to manage these municipal operations. Users of sewer and water services provided by the Town pay charges depending upon usage. Revenue received from charges for sewer and water services is used to fully support the costs of utility operations, such as Massachusetts Water Resources Authority (MWRA) assessments, debt service obligations, personnel costs, and capital projects. Charges for services are based on an inclining block rate structure corresponding to usage. Charges rise as usage increases. The Town pays the MWRA assessments to dispose of Town sewage.

**STABILIZATION FUND** – Massachusetts General Law Ch.40, Sec. 5B, allows a municipality to appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding fiscal year; the aggregate amount in the fund shall not exceed ten percent of the equalized valuation of the municipality. The treasurer shall be custodian of the fund and may invest the proceeds legally; any interest earned shall remain with the fund. Money from the Stabilization Fund may be appropriated for any lawful purpose by two-thirds vote of Town Meeting.

Natick has three Stabilization Funds as of January 1, 2012: the General Stabilization Fund, the Capital Stabilization Fund and the Operational Stabilization Fund.

**TAX LEVY** - The total amount to be raised through real estate and personal property taxes. Natick property owners pay taxes to the Town based on the assessed value of their real and/or personal property. Each year the Board of Selectmen conducts a tax classification hearing to determine a tax rate. The Town Assessor makes adjustments to real estate values in order to properly reflect fair market value. In addition to real estate, businesses may also pay a personal property tax (set at the commercial rate) based on the value of their professional equipment, furniture and fixtures. The amount of taxes a property owner pays is determined by multiplying the applicable tax rate by the valuation. For example, if the tax rate is \$10 and a property's assessed value is \$100,000, the property owner will pay \$10 times \$100,000/1,000, or \$1,000. Tax levy revenues are the largest source of funding for the Town. These revenues support most school, police, fire, public works, library, and general governmental services to the community.

**TAX LEVY LIMIT** - The maximum amount that can be raised within Proposition 2 ½.

**TAX RATE** - The amount of tax levied for each \$1,000 of assessed valuation.

**USER FEES** - Fees paid for direct receipt of a public service by the user or beneficiary of the service.

# **Basis of Accounting & Budgeting – Terminology**

---

The following descriptions detail how the Town of Natick performs its accounting and budgeting.

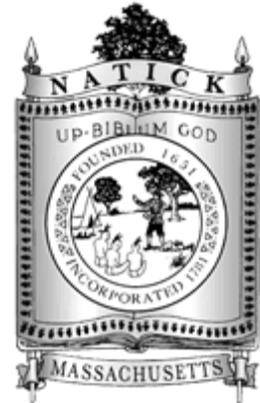
- **Basis of Accounting:** General fund accounting is done on a modified accrual basis meaning that revenues are recognized when they become measurable or available (cash basis), while expenditures are accounted for in the accounting period incurred (accrual basis).
- **Basis of Budgeting:** Budgeting for all enterprise funds is done on a GAAP (Generally Accepted Accounting Principles) or full accrual basis. This means that expenditures and revenues are accounted for in the accounting period incurred.

# Demographics & Information

---

## History

The Town of Natick is a suburban industrial center located on the upper basin of the Charles and Concord Rivers with an extensive complex of ponds. The town was from earliest Colonial days a prime target for development, possessing as it did good agricultural land, fish runs and water power. Established in 1650 on the Charles River, Natick had the first and the largest Indian praying town in the colonies, one that became a model for all other attempts to inculcate European standards into Indians. John Eliot, the great missionary, secured a charter of 6,000 acres for the Indians and converted them to Christianity. Unfortunately, Natick's Indian population was forcibly resettled on Deer Island during the King Philip's war and essentially never returned.



In Colonial days, Natick was an agricultural community with some orchards and some lumbering. Grist and sawmills were established and Indian ownership and control gave way to white dominance between 1676 and 1776. Local tradition claims that several loads of Natick men shipped out to the California gold rush in 1849 and 1850, returning with enough capital to start independent businesses in the town. The shoe industry dominated the community by the early 19th century, with the first shoe sole manufacturer established in 1827 and shoes shipped to the southern and western markets by 1830. The town's products, including baseballs manufactured in Natick, were shipped to Boston on the Boston and Worcester Railroad. The town saw rapid growth including an Irish, English, Nova Scotian, Italian and Armenian immigrant population which came to take jobs in the shoe plants and by the 1880's, Natick was the third largest shoe production community in the country.

## Demographic & Geographic Information

Settlement Date: 1651

Incorporation Date: Natick was incorporated as a Town on February 19, 1781.

County: Middlesex

Location: Eastern Massachusetts, bordered by Framingham on the west, Wayland and Weston on the north, Wellesley and Dover on the east, and Dover and Sherborn on the south. Natick is 18 miles southwest of Boston; 25 miles east of Worcester; 35 miles north of Providence, Rhode Island; and about 201 miles from New York City.

Total Area: 16.06 sq. miles

Land Area: 15.09 sq. miles

2010 U.S. Census Population: 33,006

2008 Labor Force: 18,689

2008 Per Capita Income: 46,870

2007 Population Per Square Mile: 2,120.4

2007 Housing Units Per Square Mile: 886.5

2007 Road Miles: 154.29

Number of Registered Vehicles (January 2008): 32,991

Average Age of Vehicles (January 2008): 9.03

Principal Employers (1)

Other than the Town itself, the following are the principal employers located in the Town:

<b>Company</b>	<b>Nature of Business</b>	<b>Current Employees</b>
MathWorks, Inc.	Software Dev/Sales	1,900
U.S. Army Natick Research, Development & Engineering Ctr.	Government/Food Research	1,300
Natick Mall	Retail	1,200
Metro West Medical Center Leonard Morse Campus	General Medical & Surgical Hospital	600
Boston Scientific	Medical Instrumentation/Administration	500
Waban, Inc. (d/b/a/BJ's)	Retail Administration/Management	300
Klockner-Moeller Cognex	Motor Controls & Switchgear Equipment Manufacturers of Vision Instrumentation/Administration	200  180
Snap-on-Tools	Automobile Service Equipment	170
Whitney Place	Assisted Living	170
Crowne Plaza Hotel	Hotel	150
Middlesex Savings Bank	Bank	100
Vision Sciences	Medical Instrumentation	80
Stop & Shop	Supermarket	70

**Government & Elections Information**

School Structure: K-12

Form of Government: Town Administrator-Selectmen-Representative Town Meeting

Registered Voters: (as of December 31, 2007) 20,845

Democratic 7,338	Independent 3rd Party 9
Republican 2,709	Libertarian Party 58
Unenrolled 10,697	Working Families 6
Socialist 3	American Independent 2
Green Rainbow Party 21	Reform Party 2

Town Offices: Town Hall, 13 East Central Street

US Senators: John F. Kerry & Scott Brown

Representative in Congress: Edward J. Markey

State Senators: Karen Spilka, Precincts 1-5, & 8

State Representatives:

Richard J. Ross, Precincts 6-7 & 9-10

David Paul Linsky, Precincts 1-9

Alice Hanlon Peisch, Precinct 10

Voting Qualifications: Must be 18 years of age on or before Election Day, born in the United States or fully naturalized; a resident of Natick.

Registration of Voters: Town Clerk's Office, 13 East Central Street, daily from 8:00 a.m. to 5:00 p.m.

Where to Vote (Precinct Numbers):

Kennedy Middle School, 163 Mill Street (1)  
Cole Recreational Center, 179 Boden Lane (2)  
Kennedy Middle School, 163 Mill Street (3)  
Wilson Middle School, 24 Rutledge Road (4)  
Wilson Middle School, 24 Rutledge Road (5)  
Lilja School, 41 Bacon Street at Oak Street (6)  
Lilja School, 41 Bacon Street at Oak Street (7)  
Morse Institute Library, 14 East Central St. (8)  
Morse Institute Library, 14 East Central St. (9)  
Memorial School, 107 Eliot Street (10)



# *Town of Natick*

2012 Fall Town Meeting – Town Meeting Information Book

---

**This page left intentionally blank.**



# *Town of Natick*

2012 Fall Town Meeting – Town Meeting Information Book

---

**This page left intentionally blank.**

---

# Areas of Interest

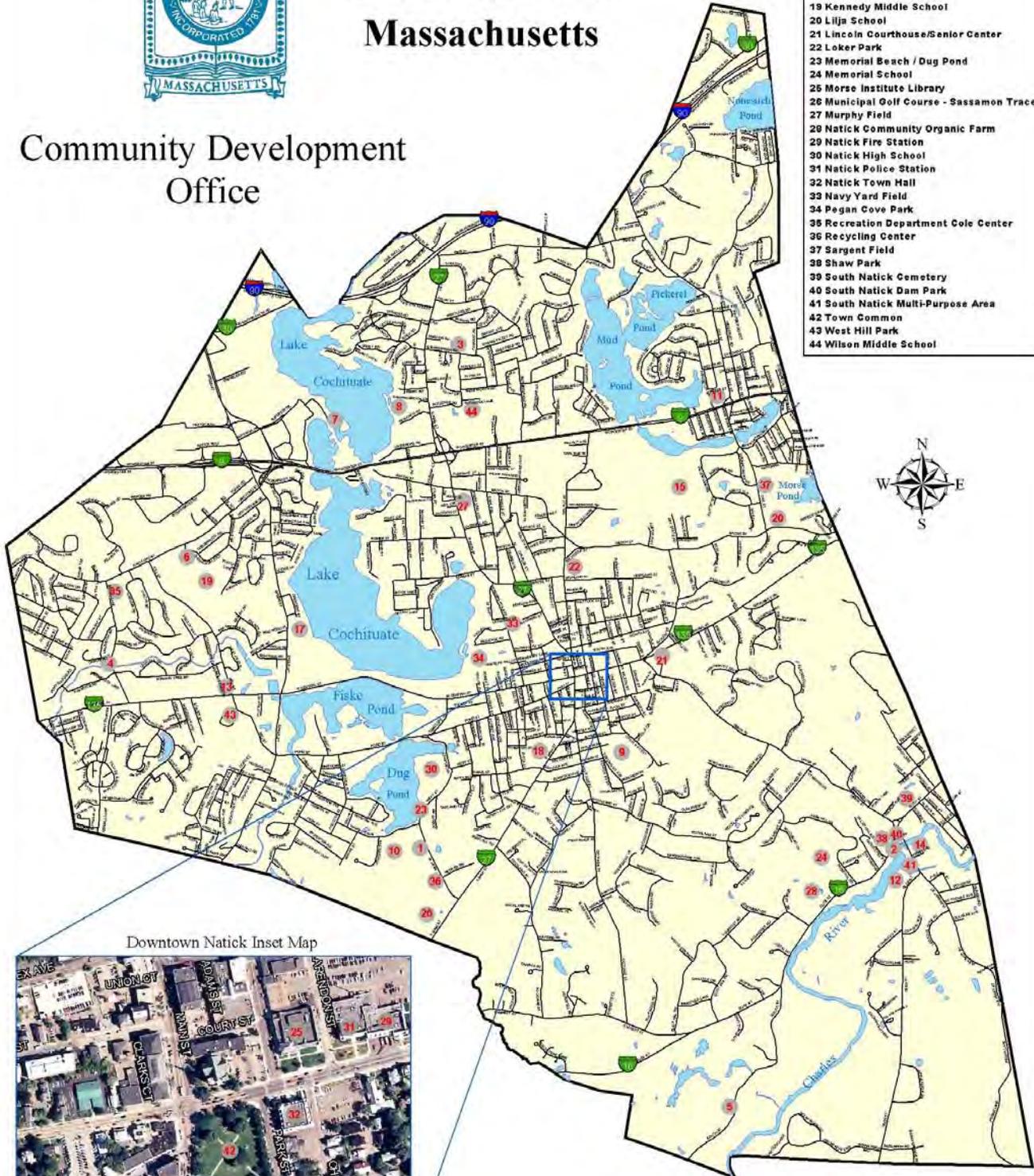


## Town of Natick Massachusetts

Community Development  
Office

### Key to Areas of Interest

- 1 Track around NHS Football Field
- 2 Bacon Free Library
- 3 Bennet Hemenway School
- 4 Boden Lane Cemetery
- 5 Broadmoor Sanctuary
- 6 Brown School
- 7 Camp Arrowhead
- 8 Camp Mary Bunker
- 9 Coolidge Field/Woods
- 10 Department of Public Works
- 11 East Natick School
- 12 Grove Park
- 13 Henry Wilson Memorial
- 14 Hunnewell Fields
- 15 Hunnewell Town Forest
- 16 Indian Burial Ground
- 17 John J. Lane Park
- 18 Johnson School
- 19 Kennedy Middle School
- 20 Lija School
- 21 Lincoln Courthouse/Senior Center
- 22 Loker Park
- 23 Memorial Beach / Dug Pond
- 24 Memorial School
- 25 Morse Institute Library
- 26 Municipal Golf Course - Sassamon Trace
- 27 Murphy Field
- 28 Natick Community Organic Farm
- 29 Natick Fire Station
- 30 Natick High School
- 31 Natick Police Station
- 32 Natick Town Hall
- 33 Navy Yard Field
- 34 Pegan Cove Park
- 35 Recreation Department Cole Center
- 36 Recycling Center
- 37 Sargent Field
- 38 Shaw Park
- 39 South Natick Cemetery
- 40 South Natick Dam Park
- 41 South Natick Multi-Purpose Area
- 42 Town Common
- 43 West Hill Park
- 44 Wilson Middle School



Downtown Natick Inset Map



0 0.25 0.5 1 1.5 Miles

**VIEWPoint**  
Intelligent Mapping & Planning

300 West Cummings Park • Suite 6000  
Burlington, MA 01803 • (617) 377-9000  
<http://viewpointgis.com>



**Town of Natick  
13 E. Central Street  
Natick, MA 01760**

**IMPORTANT TOWN BUSINESS**